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MARITIME UNION AND THE
DEUTSCH REPORT

BY



MARILYNN ANN FOGWILL

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The undersigned certify that they have read, and
recommend to the Faculty of Graduate Studies and Research for acceptance,
a thesis entitledMARITIME.UNION.AND.THE.DEUTSCH.REPORT.....
submitted byMARILYNN ANN FOGWILL.....
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ABSTRACT

This study is concerned with the political union of the Maritime Provinces of Canada; an issue which has been the cause of considerable debate since 1964. The study comprises a critical examination of the arguments for and against such a political union; and a critique of the most recent study of this question: the Maritime Union Study Report, a study commissioned jointly by the governments of Nova Scotia, New Brunswick, and Prince Edward Island.

The arguments presented by pro-unionists in the 1960's are not radically different from those presented in all past Maritime Union Movements. Union has been advocated as a solution to the economic ills which have historically plagued the Maritime region. The Maritime Union Study Report (the Deutsch Report) does not depart from this traditional pro-union analysis. The Report, in its assessment of the union question, emphasizes the economic factors and concludes that full political union is the most feasible means of attacking the stagnating nature of the Maritime regional economy. In reaching this conclusion the Report rejects intermediate solutions, such as economic co-operation, as being less than efficient and effective.

This study argues that the Deutsch Report is deficient, in that it gives inadequate attention to certain political

and social factors which mitigate the feasibility of union. Two major factors are isolated and examined: the serious problems involved with the presence of a significant French-speaking minority population in New Brunswick, and the possible barriers to union presented by the existence of three long-established and integrated political, social, and cultural communities. Other factors which mitigate the feasibility of union are constitutional difficulties with national repercussions which a proposed union could raise, the difficulties of integrating different electoral systems, and the difficulties of integrating three entrenched party systems.

This Study concludes that the recommendations of the Deutsch Report are warranted from a purely economic standpoint, but given certain political and social factors which present potential barriers to union, formal economic co-operation may be a more feasible solution to the economic problems of the Maritime region.

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Chapter 1: The Issue of Maritime Union

The issue of Maritime Union is one that has received considerable attention recently. The title of an article in a recent Maclean's Magazine, "Can Union Save The Maritimes?" is one illustration.¹ The issue of Maritime Union is obviously serious, salient, and highly visible for some sectors of the Canadian public.

The purpose of this study is to examine critically the problems involved in the Union issue, the arguments for and against a full political union, and the conclusions and recommendations of the most recent study of the question: the Maritime Union Study Report.* While the support for this idea appears to be greater now than in the past there remains a basic need to re-examine the economic, political, and socio-cultural dimensions of the Union issue, and to reconsider the viability and necessity of union for the three provinces. However, rather than restate the old arguments, it is hoped that this examination of the Union issue and its implications for the provinces may produce some fresh insights and hopefully demonstrate that Union is not necessarily the ideal solution to Maritime problems.

The present debate which began in 1964, concerning a possible union of the present provinces of New Brunswick,

* Frequently referred to as the Deutsch Report.

Nova Scotia, and Prince Edward Island, resurrected a rather old political issue. During the 1850's and the 1860's, the winds of debate blew hot and cold on the question of a closer relationship between the three Maritime colonies. In 1864, a conference was called at Charlottetown to consider the issue; where the option of Maritime Union was transformed into a larger federal union by the convincing enthusiasm and determined arguments of representatives from Upper and Lower Canada.² The question as posed over a century later is, should the three provinces unite to form one province within the Canadian federal structure?

The current discussion started in 1964 when Premier Louis J. Robichaud of New Brunswick revived the idea of a united Maritimes at the federal-provincial conference at Charlottetown.³ The initial reaction to Robichaud's proposal was non-committal on the part of Premier Stanfield, and there was a certain degree of light-hearted bantering concerning the matter.⁴ Premier Shaw of Prince Edward Island and Premier Smallwood of Newfoundland viewed the suggestion with near hostility.⁵ On the other hand, "generally speaking there was a chorus of praise from the press" and eventually Premier Stanfield overcame his initial reluctance.⁶

In February of 1965 the provincial legislatures of both New Brunswick and Nova Scotia passed identical

resolutions stating that a joint study be commissioned to enquire into the advantages and disadvantages of a union of two provinces. For three years the issue was dormant, until in March 1968 Prince Edward Island, under a different government, was persuaded to return to the fold and a three-province Maritime Union Study was commissioned.

The Commission, directed by Dr. J.J. Deutsch, began its work in the spring of 1968, receiving briefs, holding public meetings, and requesting special studies. In October 1970 the Commission delivered its final report, recommending full political union for the three provinces to be achieved over a ten-year period.

The major arguments brought to bear by those who favour a union between the three Maritime provinces may be briefly summarized. If there were one large province there would be greater efficiency in the civil service. Union would bring about substantial savings in governmental expenditures by reducing the number of legislators and of cabinet ministers. Through union the region could introduce coherent regional economic planning and development, thereby reducing needless competition and duplication. Another argument reasons that in union the region would wield greater influence at the federal council table than do the three present political units and would thereby be more successful in obtaining greater economic benefits for

their area. Finally it is argued that a united Maritime province would present a new challenge to its citizens and could thus possibly arrest the exodus of Maritimers to other parts of Canada.

In assessing these arguments, it becomes immediately clear that the underlying rationale for a union is essentially economic in nature. These factors appear repeatedly in public and journalistic debate, in the briefs submitted to the Maritime Union Study, and underline the Report itself. By emphasizing the economic benefits of union it is possible that its supporters have overlooked significant political and social considerations. It should be made clear at the outset that the purpose of this study is to examine critically the premises of the "pro-unionists" and to question the conclusions which they draw; ie. full political union. It will be maintained that the economic ills of the Maritime region, which would lend support to some form of political union as a solution, do not at this time outweigh the political and social factors which mitigate against such a political union. This statement may be taken to be the central thesis of this paper.

The arguments presented in rebuttal to the union advocates are based upon the following premises. It is accepted that the three provinces do constitute a region and are beset by problems that are both economic and

regional in nature and extent. It will be posited firstly that political union will not necessarily solve these problems; secondly that political union is not necessary to solve these problems; and thirdly, that there are factors which mitigate against political union. Underlying the positions of both the "pro" and "anti" unionists is a recognition of the lagging, even stagnant economy of the Maritime region within the Canadian economy. Furthermore it is not denied that some means of formal economic co-operation or of administrative integration, or even political integration might not go amiss in attempting to correct the region's economic plight. However, it will be argued here that full political union is not the panacea that it is purported to be, in terms of the claims put forth in its favour.

The political and social factors which present barriers to a Maritime union are, in the first instance, the presence of a French-speaking population in the three provinces and particularly in New Brunswick where the French comprise a substantial minority of 38.8 per cent of the population. A second factor is the previous existence of the three provinces as political, social, economic, and cultural entities. These and other factors will be more fully explored in Chapter 5.

The thesis and premises of this paper will lead the

writer to suggest that, as an alternative to political union, formal economic co-operation among the Maritime provinces in the areas of economic planning and industrial development would be more effective. In fact the writer will seek to show that to a degree informal co-operation and the seeds of formal co-operation in the economic sphere, both private and public, are already in existence.

In explicating the thesis and premises, the paper will trace the history of previous Maritime union movements and the major threads of the region's economic history. Once the historical picture is complete, there will be a consideration of the present economic situation and an examination of the pro-union arguments which flow from that situation. Following this will be a delineation of the political and social context which impinges upon the union question. The remainder of the study will deal with the alternative of economic co-operation and the implications of regional activity for the Canadian federal system.

Before proceeding with the background to the union issue, it would be helpful to first examine some relevant characteristics of the Maritime region. The tables below present selected demographic statistics concerning the four Atlantic provinces.

From TABLE 1.1 it is obvious that in terms of land area, one is looking at a very small region vis a vis the

TABLE 1.1
SELECTED DEMOGRAPHIC CHARACTERISTICS FOR THE
ATLANTIC PROVINCES*

PROVINCE	LAND AREA	POPULATION				POPULATION	
		Rural- Farm %	Rural Non- Farm %	Urban %	Anglo- Saxon %	French %	Other Ethnic Origin %
Nfld.	143,045	1.8	44.2	54.0	93.7	3.8	2.5
P.E.I.	2,184	28.4	35.0	36.6	79.8	16.7	3.5
N.S.	20,402	6.0	36.0	58.0	71.3	11.9	16.8
N.B.	27,835	8.4	41.0	50.6	55.2	38.8	6.0
Atlantic Provinces	193,466	7.0	39.5	53.5	72.1	18.7	9.2

* The figures were taken from Dominion Bureau of Statistics, Census of Canada, 1961; the land area figures were taken from APEC, Atlantic Canada Today, 1969, p. 7, Table 1.

rest of Canada. This smallness is particularly magnified, if one discounts the relatively unpopulated yet large land mass of Labrador. In this consideration, the entire Atlantic region would fit rather snugly into Southern Ontario. The rural-urban distribution of the population displays a low degree of urbanization. Of greater interest is the fact that the rural distribution is to a large extent non-farm population; which is to say that a great bulk of the Atlantic Provinces population is clustered in

small towns and villages. The distribution of the French origin population is of particular interest to this study. Whereas in New Brunswick those of French origin constitute a significant minority, in the other provinces of the Atlantic region they form a very small proportion of the total population. For the most part, the population of the Atlantic Provinces are overwhelmingly Anglo-Saxon in ethnic origin.

TABLE 1.2

POPULATION OF THE ATLANTIC PROVINCES AND CANADA,
IN THOUSANDS, 1921-1966*

<u>YEAR</u>	<u>Nfld.</u>	<u>P.E.I.</u>	<u>N.S.</u>	<u>N.B.</u>	<u>Total</u>	<u>Canada</u>
1921	-	89	524	388	1,001	8,788
1941	-	95	578	457	1,130	11,507
1951	361	98	643	516	1,618	14,009
1956	415	99	695	555	1,764	16,081
1961	458	105	737	598	1,898	18,238
1966	493	109	756	617	1,975	20,015

* Dominion Bureau of Statistics, Census of Canada.
Figures for 1921 and 1941 do not include Newfoundland,
since this was prior to its entry into Canada.

TABLE 1.2 indicates the slow growth of the Atlantic region in terms of population over the thirty-five year period. From 1951 to 1966 the population of the region increased by only 357,000. The slow rate of growth is both

TABLE 1.3

PER CENT CHANGE IN POPULATION FROM EACH PRECEEDING
CENSUS, FOR THE ATLANTIC PROVINCES AND CANADA,
1941-1966^{*}

<u>YEAR</u>	<u>Nfld.</u>	<u>P.E.I.</u>	<u>N.S.</u>	<u>N.B.</u>	<u>Canada</u>
1941	-	8.0	12.7	12.0	10.9
1951	-	3.6	11.2	12.7	21.8
1956	14.8	0.9	8.1	7.5	14.8
1961	10.3	5.4	6.1	7.8	13.4
1966	7.8	3.7	2.6	3.2	9.7

^{*} Dominion Bureau of Statistics, Census of Canada.
Figures for 1921 and 1941 do not include Newfoundland,
since this was prior to its entry into Canada.

absolute and relative, as is obvious when the increase for the region is contrasted with the over six million increase for Canada as a whole, during the same fifteen year period. Table 1.3 indicates more clearly the slow rate of population growth in the region and also shows that the rate has been constantly decreasing. In 1966 the three Maritime provinces sustained a population growth which was less than half the per cent change for all of Canada, and although Newfoundland's per cent change was comparatively high for the Atlantic region it was still 2 per cent less than the change for Canada.

Table 1.4 is a further indicator of the lagging character of the region's economy. The average income of

TABLE 1.4

AVERAGE INCOME OF INDIVIDUALS BY PROVINCE, AND AVERAGE INCOME BY PROVINCE AS PER CENT OF ONTARIO AVERAGE, 1961

	<u>Average Income</u>	<u>% of Ontario Average Income</u>
Canada	3,999	92.2
Nfld.	2,665	61.5
P.E.I.	2,867	66.1
N.S.	3,188	73.5
N.B.	3,070	70.8
Que.	3,870	89.3
Ont.	4,335	100.0
Man.	3,884	89.5
Sask.	3,608	83.2
Alta.	4,160	96.0
B.C.	4,177	96.0

Source. DBS. Census of Canada, 1961.

individuals of the region is substantially lower than in the other provinces of Canada. When the average incomes are measured as percentages of that of Ontario, the differences between the Atlantic provinces and the rest of the nation are quite striking. Nova Scotia, with the highest average income for the region, has still only 73.5 per cent of Ontario's average income.

This study is concerned with a small region of Canada whose population is approximately 10 per cent of the nation's population. It is a region whose population

is very nearly static in terms of growth; a population displaying a heavy rural distribution and a population whose average personal income is substantially less than that of the rest of Canada. It is a region of Canada suffering under serious economic disparities. It is these people at the eastern extremity of the continent whose future may be determined by the resolution of the present Maritime Union debate.

FOOTNOTES

¹Maclean's Magazine, Vol. 82, No. 8, August, 1969, pp. 20-26.

²For background information relevant to the movement towards the Confederation of the British North America provinces one may refer to Canada, Parliament, Parliamentary debates on the subject of the Confederation of the British North America provinces, 3rd Session, 8th Parliament of Canada, 1865; D.G. Creighton, The Road to Confederation, the Emergence of Canada, 1863-1867 (Toronto: Macmillan, 1964); W.L. Morton, The Critical Years; the Union of British North America, 1857-1873 (Toronto: McClelland and Stewart, 1964); P.B. Waite, The Confederation Debates in the Province of Canada, 1865: A Selection (Toronto: McClelland and Stewart, 1963); P.B. Waite, The Life of Confederation, 1864-1867, Politics, Newspapers, and the Union of British North America (Toronto: University of Toronto Press, 1962).

³S. Sinclair, "What's this Talk of Maritime Union?" Canadian Business, Vol. 38, August, 1965, p. 70.

⁴Editorial, Atlantic Advocate, Vol. 55, November, 1964, p. 14.

⁵Ibid., see also The Financial Post, Vol. 59, June 26, 1965, p. 49.

⁶Atlantic Advocate, loc. cit.

Chapter 2: Background to Maritime Union

The concept of uniting the political entities of New Brunswick, Nova Scotia, and Prince Edward Island, is not an issue peculiar to the past decade. The 1850's and 1860's produced advocates of a united Maritime colony and moreover the two decades following the British North America Act saw advocates of a Maritime Union within the Canadian federation. The idea receded until the first two decades of the twentieth century when businessmen and politicians raised, as a public issue, the question of uniting the three provinces.

This chapter will trace the early history of the region and will examine the numerous Maritime Union movements, in order to delineate the arguments set forth by earlier union advocates. This brief retreat into history will undoubtedly uncover the roots of the issue as it presently exists and may, perhaps, indicate certain similarities and consistencies in past and present union movements. The chapter will also deal with an anomaly with which any examination of Maritime Union must come to grips. Specifically, what factors can explain the persistent disinterest of the province of Newfoundland in the union proposals when, to all intents and purposes the fourth Atlantic province is an integral part of the same geographic and economic region as the other three?

Annexation and Partition: The Beginnings of Separate
Entities

By a proclamation following the Peace of Paris in 1763 the islands of Prince Edward Island and Cape Breton were annexed to the colony of Nova Scotia by the British government. Yet this proclamation cannot be conceived of as a union of colonies when one considers that these territories had been granted to France in the 1713 Treaty of Utrecht. It would seem to be more the case that, faced with the problem of what to do with these islands, attachment to the adjacent and already existing government in Nova Scotia was the most feasible, if not the only solution, for Britain.¹ Neither can one perceive the extension of rule to New Brunswick as a uniting of two colonies since, for fifty years prior to 1763, this territory had been claimed by Great Britain as being an integral part of Nova Scotia. What was to become New Brunswick was nothing more than a relatively unpopulated, undeveloped hinterland of the colony of Nova Scotia. The British ruled this entire area from Halifax and as Professor Whitelaw indicates the annexation was "merely an extension of territorial jurisdiction and not a union of colonies."²

Nonetheless, even as an administrative district the territory quickly fell apart into the units which we know today. The reasons motivating each separation varied but

it can be argued that, although imperial considerations were involved in the divisions, the prime motivations in each case sprang from local considerations and the desires of the colonists. Prince Edward Island was the first to break away; the motivation for division stemming directly from its somewhat unique system of land tenure.³ In 1767 the British government had carved its Crown lands on the Island into sixty-seven sections, awarding them as private estates to those supporters whom it favoured; thus creating a land system of absentee landlordship. This situation resulted in a colonial situation similar to Ireland.⁴ The absentee landlords immediately petitioned the government of Great Britain to completely separate their Island from the mainland government of Nova Scotia. The arguments set out in the petition stressed the inconvenience of having to refer all minute administrative details to a government which was less than proximate at the best of times and cut off by ice in winter. Given the validity of these arguments, one cannot overlook a certain self-interest on the part of these proprietors. On no account could they anticipate a sympathetic attitude from the legislative assembly, considering the population's New England democratic traditions. Such a legislature would not likely hold a favourable attitude towards preserving within its jurisdiction such a system of landholding. In 1769 the British government

granted to Prince Edward Island a separate government with a governor-in-chief of equal rank with that of Nova Scotia.

It was nearly two decades before the next division occurred, during which period the British Maritime colonies watched with some apprehension the American Revolutionary struggle. It was in fact one end-product of that revolution which drastically altered the composition of Nova Scotia and virtually formed the beginning of the history of New Brunswick.⁵ The major reason for the creation of a separate territory of New Brunswick stemmed from the great influx of Loyalist settlers during and following the American Revolution. The Loyalists settled in the area surrounding the St. John river valley and this sudden sharp rise in population in a region where no civil government as yet existed created administrative and judicial problems which were impossible for the government to handle from its distant base in Halifax.⁶ Furthermore, the government at Halifax was at the same time caught up with the more immediate problems created by a similar flood of Loyalists to the peninsula.

In addition to the communications problem there were also social pressures at work to bring about a separation of the Loyalist population of the St. John valley from the rest of Nova Scotia. Whitelaw argues that the British government itself, in response to demands for separation

"was not averse to seeing a separate government erected between the revolted New England states and the province of Nova Scotia, whose conduct during the war had been under considerable suspicion"⁷ by the British. As demands for separation by the New Brunswick population grew ever louder and ever more insistent the British government lost little time in complying with the request. In 1784 the separate entity of New Brunswick was created with its own governmental jurisdiction, a Governor-in-chief, and the promise of an eventual assembly. In 1784 the island of Cape Breton was also granted its own government, although in this instance the separation was partial rather than complete. The island was given a Lieutenant-Governor who was subordinate in authority to the Governor at Halifax.

Although in the next several decades there occurred a number of changes mostly involving technicalities such as the status of a governor to a lieutenant-governor, or changes in what official was subordinate to which; the political territories as created, remained. The final territorial change came about in 1820 when Cape Breton Island was re-annexed to Nova Scotia. It can be argued that as of 1784 the foundations for the continued existence of separate, political entities had been laid. The beginnings of continuous history for the separated areas of New Brunswick and Prince Edward Island date from their partition

from Nova Scotia.⁸ Both Whitelaw and J. Murray Beck agree that the separations were not completely the product of a divide and rule policy on the part of the British government, with a callous disregard for colonial interests; rather the divisions were a combination of local conditions and imperial considerations.⁹

In Beck's opinion, given the circumstances of the day, it was impossible "to bring the areas beyond the mainland of Nova Scotia within the influence of the centripetal forces of Halifax."¹⁰ Whitelaw goes beyond this argument of administrative and communications necessity and posits that nature had divided the maritime territory into four (including Cape Breton) well-defined divisions and the settlement of the territory, of necessity, followed these same divisions. In Whitelaw's opinion, the British government did little but give constitutional sanction to separations that were inevitable.¹¹

The First Maritime Union Movement

As early as the first decade of the nineteenth century there were individuals who advocated the reuniting of the three Maritime colonies as a means of furthering and enhancing imperial goals and policies in British North America. Richard John Uniacke, Attorney-General of Nova Scotia was the first of several proponents of a colonial

union. The general and continuous theme of these recommendations was the desire to strengthen and maintain British control of the local colonial situation and to strengthen the colonies themselves, that they may not be sucked into the influence of the United States. Trade patterns of the time closely connected the colonies to the New England States, and Uniacke and his contemporaries feared it would be difficult to maintain the colonies as British.¹² Although the Loyalists were a reassuring factor, the "neutral Yankees" of Nova Scotia were potentially not quite as reassuring.

During the 1850's and 1860's there were "three successive lieutenant-governors of New Brunswick who in large measure provided the initiative"¹³ in sustaining interest in the union question. It is unnecessary in this study to trace the intricacies and complexities of the union question up to 1860, at which point in time the issue passed quietly away for several years. The recommendations and despatches of Sir Edmund Head and his successor John Manners Sutton have been well documented elsewhere.¹⁴ It is sufficient to note here that the concept of a union of the Maritime colonies was inevitably intertwined with the notions of a larger legislative or federal union with the Canadas; Maritime union was at different times, an enhancement to a larger union or an alternative to a larger union.

In this sense Maritime union was also inextricably linked to imperial desires to create British colonies in North America which were strong internally and externally, militarily and economically. From the middle of the nineteenth century onward, British colonial policy had slowly changed. Great Britain ceased to regard the colonies as an economic advantage, and began to follow a policy of free trade.¹⁵ The loss of the British imperial preference forced the colonies to become more economically self-reliant; likewise the granting of responsible government was meant to decrease their political dependence upon the mother country. Any move towards stronger inter-colonial ties was looked upon with favour as a means of building colonial autonomy.¹⁶ It was also the case that Maritime union was always linked to the troubled fortunes of the proposed Intercolonial Railway.

During 1862 and 1863 political storms raged and abetted on the question of a closer relationship between the three Maritime colonies. Fresh difficulties with the Intercolonial Railway raised the issue of union again. Canada balked at British government conditions to a loan guarantee and terminated the agreement on cost-sharing for the railway which Canada, New Brunswick, and Nova Scotia had reached in 1862. The Maritime provinces reacted in rage to the apparent perfidy of the Canadians and the press

of the provinces revived the idea of a Maritime Union. "For the first time Maritime Union had emotional fervour to sustain it."¹⁷ But this emotional fervour was less directed towards union as a good in itself than it was channeled into invective towards the Canadians. As Whitelaw has said of the movement at this time; "What emotional dynamic it possessed was largely the negative one of antagonism towards Canada; . . . it was being swept along . . . on a wave of hatred of Canadian duplicity and domination" ¹⁸ One might suggest that union came close to resembling a popular movement. Yet even in this instance the fervour lost momentum; by the time the three legislatures passed resolutions convening a conference, even the press had lost its enthusiasm.¹⁹ In February 1864, the Canadian government suddenly decided to go ahead with the survey of the Inter-colonial Railway, on its own initiative and at its own expense. One can speculate that this move by the Canadian government was a political one, given the tremendous anger of the Maritime governments. More than likely Maritime Union could have once more passed quietly away since "the exacerbation with Canada over the Inter-colonial had been soothed by the resumption of Canadian initiative."²⁰

While the governments of the lower provinces were considering with some disinterest, the choice of time and place to consider union, an unexpected move by the Canadian government initiated the process whereby the option of a

Maritime Union was pushed aside by the prospects of their being incorporated into a larger federal union. The Canadian government wrote, inquiring when and where the Maritimers planned to meet and if it were possible for Canadian delegates to attend in order to present their case for a larger union. As has been noted, Maritime Union had frequently been discussed in relation to a larger British North American union, so the request of the Canadians was not altogether unanticipated. However the immediate cause was the severe state of political instability in Canada during the 1860's, culminating in the spring of 1864. Relations between Upper and Lower Canada had been uneasy during the 1860's and when the government fell in June 1864, a coalition was formed with a specific commitment to either a Canadian federation or a British North America federation.²¹ The Maritimers now felt compelled to call a conference and in due time Charlottetown was selected for the location and September 1864 as the time. Moreover the Canadians were informed that they would be made welcome.

The convincing enthusiasm and arguments of the Canadian delegates as to the advantages of a larger union persuaded the Maritimers on the opening day of the conference to defer consideration of a Maritime Union. One important factor in the deferment of the Maritime Union question may have been the solidarity of the Canadian delegation as

opposed to the weakness of the Maritime front.²² The Maritimers had reached no previous understanding and each delegation was made up of both government and opposition; whereas the Canadian delegation was composed of a coalition, agreed upon its goals. In several days of discussions the Canadians presented their arguments for the larger union, showing its advantages for all parties involved. These advantages included the greater population, the potential of a free trade area, the new markets which would be opened up for both Canada and the Maritime provinces, the advantages of year-round, ice-free ports, and of course the promise of the Intercolonial Railway. Perhaps, equally important was the emphasis given to the preservation of provincial autonomy, which likely allayed fears of submergence on the part of the Maritime provinces.²³ Following these discussions, the delegates from the three lower provinces dismissed the option of a Maritime Union, entirely in favour of the larger union and plans were laid for the Quebec Conference.

In Beck's opinion the question of Maritime Union "obviously had not caught the public imagination."²⁴ P.B. Waite concludes that it "reached the Conference by a power not its own, and there it simply fell to pieces. It had never caught the popular imagination."²⁵ Thus ended the first Maritime Union Movement.

Maritime Union Movements Following Confederation

In the era preceeding Confederation the issue of Maritime Union was raised exclusively by British governors and officials in the colonies; and as has been noted was considered in connection with a larger Canadian union and in terms of the need to strengthen British North America. It is perhaps paradoxical that on the next occasion when the union issue reared its head it was intertwined with the Nova Scotia secession and repeal movements of the 1880's. It is not essential to recount the tumultuous history of repeal under W.S. Feilding, culminating in the repeal election of 1886. It is only important to note that the question of union was never anything more than an offshoot or an appendage to the question of secession. Feilding could find nothing but disinterest on the part of the respective governments of Prince Edward Island and New Brunswick. Even in Nova Scotia "Maritime Union did not enter into the election (1886) in any meaningful way, and the results were in no sense a pronouncement on its merits."²⁶ After the federal election in 1887, the issue of repeal was dead, as was the question of union; if in fact it was an issue in the 1880's at all.

It was not until the first decade of the twentieth century that advocates of Maritime Union once again appeared. For the first time union was advocated as an end in itself,

rather than as a concomitant of some other good, such as British North American Union or Nova Scotian repeal. The most frequent advocate of union during this period was the Maritime Board of Trade and for the first time advocates were presenting well-defined reasons in favour of union. It is also interesting to note that it was at this time that a pattern emerged which has been repeated in the 1960's. Members of the Ontario press, in their great wisdom began to vocalize in support of a Maritime Union, whereas generally the Maritime press itself was far more cautious.²⁷

In 1905, at its annual meeting, the Maritime Board of Trade passed its first resolution advocating union. In 1906 it repeated the exercise, although in the interim no popular movement had occurred and in fact, even the press was somewhat lukewarm. During the same period a young Haligonian lawyer, R.V. Harris was also advocating union. From Harris' writings we may obtain a fairly concise resume of the pro-union arguments of the day.²⁸ He argued that union would bring about economy in administration as well as uniformity of administration. Furthermore in union, the provinces would be able to undertake projects, such as public works and resource development, of a greater magnitude than they could individually and moreover they could exercise a much greater influence externally. Two years later, in 1908, Harris added another argument to his thesis; that only

in union could the provinces encourage development which was necessary to halt the drain of Maritime people to the Western wheatfields.

In 1909 the Maritime Board of Trade, which had let the matter drop for several years, once again passed a resolution advocating union. Once again the three governments, the press and the public paid little heed. In 1910 the Toronto Globe was quite sure there was a popular movement afoot to achieve union and immediately sent off a correspondent to report on the matter. Much to the Globe's dismay, he was unable to find any evidence of popular support for a Maritime union.

During the period 1917-1919 Maritime Union was an occasional and sporadic issue; this time the impetus coming from several New Brunswick political figures. The same themes of reduced governmental costs and greater influence in the national sphere emerged; but once again no political movement occurred. Beck indicates that the sudden desire to champion the cause of Maritime Union by these individuals may bear some relation to their recent political defeats.²⁹ In 1919 the Maritime Board of Trade once again approved a resolution advocating union, which event Beck terms the "swan song" of union until the 1960's, and the most recent attempt which is the object of this study.³⁰

Newfoundland the Unwilling

Despite the fact that in the past and even today advocacy of Maritime Union has never rested on a base of strong popular support, there have been governmental and business leaders who were earnest advocates. It is apparently the case for Newfoundland that even the political and governmental leaders are unconcerned about a union which would include their province. As was noted previously, Premier Smallwood reacted to Robichaud's 1964 proposal with disinterest verging on hostility. It is interesting and perhaps necessary to query why Smallwood and Newfoundland have persistently remained aloof from the entire situation even after Prince Edward Island relented and joined in the commissioning of the study. The following thoughts expressed as possible answers as to why this should be so, while purely speculative, explain in part Newfoundland's continuing reluctance to join with the other provinces.

A case can be made that one cannot understand the position taken by the government of Newfoundland without taking into account the personal idiosyncracies of its Premier, Joey Smallwood. The most superficial perusal of journalistic accounts of politics and government in Newfoundland reveals the incredible impact which Smallwood's charismatic leadership and authority has. His biographer, Richard Gwyn, documents the power and authority which 'Joey'

wields, even over the members of his own cabinet.³¹ It is argued here that the 'Only Living Father' would not receive kindly the proposal for a union which would result in the loss of his position as the man who has ruled Newfoundland with an iron fist for twenty-two years.

It may also be argued that Smallwood and his government would not perceive any great economic advantage in a union of the four provinces. The man who dragged his province kicking and screaming into Confederation and into the twentieth century perceives, correctly or not, a prosperous, industrial future for Newfoundland. "If you want to find one province in Canada that has an economic breakthrough starting this year, this is it, Newfoundland."³² Smallwood's economic policies have always laid emphasis on the bright future of Labrador with its hydro-electric potential and its resources; furthermore he envisions the island dotted with huge industrial complexes which will set the provincial economy sailing into prosperity. With such a rosy future just around the corner, one could argue that Smallwood would not be willing to see his hard-realized dreams submerged within a united Atlantic province.

The third and final line of reasoning which may be brought to bear upon Newfoundland's self-exclusion from consideration of union, flows from the province's historic position of isolation from Canada, both politically and to

some extent economically.

In many ways (Newfoundland) was an integral part of British North America, but in others it remained as remote as Bermuda had been from the thirteen colonies. Not only the peculiar features of its physical geography but also the unique character of its foreign relations served to isolate it both from Canada and the Maritime provinces.³³

The centre of Newfoundland life lay at its extreme eastern tip, as near to Great Britain and as far from continental North America as was physically possible.³⁴

The chief commercial contacts of Newfoundland were with Great Britain, the British West Indies, the United States, Brazil, and the countries of Southern Europe On the whole, therefore, Newfoundland's economic contacts were not with British North America.³⁵

Without any empirical evidence, it is posited here that the majority of Newfoundlanders do not feel any greater sense of community with the three Maritime provinces than with the rest of Canada. The 'mainland' is still the 'mainland' whether it be Halifax, Toronto, or Vancouver. Although Newfoundland has been within the Canadian nation since 1949, the geographic and historical isolation of four centuries is still the more salient point of reference in its political culture. Despite provincial particularisms, the three Maritime provinces have historically experienced more interaction than has Newfoundland with that region or indeed with any part of Canada. This is not to say, that since Confederation (1949) Newfoundland has not or does not participate on a region-wide basis with its neighbouring three provinces. Indeed the province is an active participant in schemes such

as the Atlantic Provinces Economic Council and the Atlantic Provinces Board of Trade. What is argued here is that Newfoundlanders do not hold feelings of community, commonality, or common interest with the Maritime region, such as would result in strong demands upon the provincial government to seek a union, if and when the issue was raised. The Telegram (Toronto) conducted a survey in 1970, the rigour of which is open to question. Nevertheless, its Canada 70 Team found that generally Newfoundlanders display indifferent interest in mainland Canada.³⁶ Undoubtedly the Newfoundland government has displayed indifferent interest in proposals for an Atlantic Union.

These thoughts are of a speculative nature, as noted previously. There is no documented evidence as to why Smallwood refused to consider the question of a union of the four provinces. However, the above reasons are offered as possible explanation as to the lack of interest on the part of the Newfoundland government. What will happen in the distant future remains in doubt, but it is clear that for the moment Newfoundland prefers to remain as a single province.

When one reflects upon the history of Maritime Union movements several important factors emerge. There has never been anything approaching popular support of a union between the three Maritime entities. At any given time the advocates of union comprised a mere handful of men who encountered

great difficulty in awakening the press into a sustained and heated debate, let alone the general populace. Furthermore it was not until the turn of the present century that the issue of union was considered as an issue in itself. Yet even in the first two decades of the twentieth century when businessmen and politicians, as proponents of union, were concerned only with the plight of the region itself, "they evoked not the faintest spark of interest among ordinary Maritimers."³⁷

The other point which emerges is that present day advocates are in no way presenting new arguments to support their cause. The premises of union are consistent themes throughout the history of Maritime Union and the problems perceived are essentially the same. It may be that present arguments, especially the purely economic ones, are couched in more sophisticated terms, as befits a more sophisticated economy; yet their basis is the same. The only unique addition to the current pro-unionist stand is that a psychological dimension has been tacked on; in particular to the need to halt the exodus of population. This dimension supports the view that Maritimers are inherently conservative and unreceptive to change and that if the population could accept a change such as union, then perhaps a greater willingness to accept change in other things would follow. Such a change in the political culture is viewed as a prerequisite

to the full development of the area and as conducive to stemming the tide of emmigration.

It should be clear from this brief discussion of previous attempts to unite the Maritime provinces that interest in this question has never been great. Nonetheless, periodically the matter is raised for "further discussion"; each time, however, resting primarily on the need to improve the economic circumstances of the region. It is to this question we now turn.

FOOTNOTES

¹W.M. Whitelaw, The Maritimes and Canada Before Confederation (Toronto: Oxford University Press, 1934), p. 42.

²Ibid.

³Ibid., p. 43.

⁴Ibid., p. 24.

⁵Ibid., p. 45.

⁶Ibid.

⁷Ibid., p. 46. For an excellent portrait of the Nova Scotian population and the reasons for its American sympathies during the Revolution see Arthur R.M. Lower, Colony to Nation: A History of Canada (Toronto: Longmans, Green & Company, 1946); the ninth chapter entitled "The Thirteenth Colony: Nova Scotia."

⁸Ibid., p. 50.

⁹Ibid., pp. 49-50, and J. Murray Beck, The History of Maritime Union: A Study in Frustration (Fredericton, N.B.: Maritime Union Study, 1969), p. 2.

¹⁰J. Murray Beck, The Government of Nova Scotia (Toronto: University of Toronto Press, 1957), p. 10.

¹¹W.M. Whitelaw, op. cit., p. 49.

¹²J. Murray Beck, The History of Maritime Union, pp. 3-4.

¹³Ibid., p. 4.

¹⁴Ibid., pp. 4-9.

¹⁵Ramsay Cook, John C. Ricker, and John T. Saywell, Canada: A Modern Study (Toronto: Clarke, Irwin & Company, 1963), pp. 84-85.

¹⁶J. Murray Beck, The History of Maritime Union, p. 5.

¹⁷Ibid., p. 12.

¹⁸W.M. Whitelaw, op. cit., p. 201.

¹⁹J. Murray Beck, The History of Maritime Union, pp. 13-14.

²⁰P.B. Waite, The Life and Times of Confederation 1864-1867 (Toronto: University of Toronto Press, 1962), p. 59.

²¹For detailed explanations of the politics of this period see W.M. Whitelaw, op. cit., pp. 214-215, Ramsay Cook, et al., op. cit., pp. 87-88, and P.B. Waite, op. cit., p. 66.

²²W.M. Whitelaw, op. cit., p. 219.

²³Ibid., p. 221.

²⁴J. Murray Beck, The History of Maritime Union, p. 16.

²⁵P.B. Waite, op. cit., p. 83.

²⁶J. Murray Beck, The History of Maritime Union, p. 28.

²⁷Ibid., pp. 31-35.

²⁸Ibid., p. 33 and pp. 35-36.

²⁹Ibid., p. 40.

³⁰Ibid., p. 41.

³¹Richard J. Gwyn, Smallwood: The Unlikely Revolutionary (Toronto: McClelland and Stewart, 1968).

³²The Telegram (Toronto), The Atlantic Provinces: The Struggle for Survival (Toronto: McClelland and Stewart, 1969), p. 98.

³³W.M. Whitelaw, op. cit., p. 28.

³⁴Ibid., p. 29.

³⁵Ibid., p. 34.

³⁶The Telegram (Toronto), op cit., p. 7, pp. 10-11, p. 12, p. 16, and p. 91. The survey comments on page 12 that "Newfoundlanders have yet to acquire the feeling of belonging in Confederation; but the new generation are . . . far more Canada-minded than their parents."

³⁷J. Murray Beck, The History of Maritime Union, p. 45.

Chapter 3: The Economic Context

The point has already been made in this study that the underlying basis of the union issue in the present era is the economic plight of the Maritime region. It was also stated that the pro-unionist arguments flow mainly from the economic circumstances of the Maritimes. This examination of the Maritime economy will employ two consistent themes or foci. The economic context of the Maritime region is generally expressed vis a vis the economic context of the rest of Canada; and the regional economic disparities of the Maritimes must be considered in terms of Canadian federal-provincial fiscal relations. These foci dominate the economic history of the Maritime provinces.

In terms of the Canadian economy as a whole, the Maritimes are recognized as economically stagnant, according to any standard by which one measures economic development and prosperity. But such has not always been the case, in fact the Maritime region, at one time, exhibited a mature economy and great prosperity.¹ The period 1850-1880 was the heyday of Maritime prosperity: it is still referred to as the Golden Age of the region. Beginning in 1783 with the first great influx of Loyalists and continuing throughout the first half of the nineteenth century, a population base sufficient to sustain a developed economy was established, largely through immigration. Between 1800 and 1850 the

economy of the region developed and matured, and as with most of the British North American colonies, its base was the production of staples for export. The staples of the Maritime colonies were fish and forest products.² Timber was the basic resource of New Brunswick, timber and fish the basic resources for Nova Scotia, while Prince Edward Island depended mainly upon agriculture. The economy evolved around these primary industries, ship-building, manufacturing related to ship-building, and the carrying trade. "The triangular run of fish and lumber to the West Indies, rum and sugar to England and manufactured goods to the Maritimes was important during this period."³

Between 1850 and 1880 several factors greatly stimulated the Maritime economy to new and unprecedented activity. The discovery of gold in California and Australia created a demand for ships to carry supplies, while the Crimean War and the Indian Mutiny created similar demands for ships.⁴ Throughout this period the international carrying trade, dependent upon sailing ships, substantially increased and "the range of markets in which the Maritimes bought and sold was continually widening."⁵ Two other factors which had an enormous and profitable effect upon the Maritime economy were the 1854 Reciprocity Treaty and the American Civil War. "Exports from the Maritimes to the United States increased greatly during the period of the

Reciprocity Treaty, but the most rapid increase took place during the period of the Civil War."⁶ In addition to increased trade, the adverse effects of the Civil War on the American merchant marine, resulted in the near elimination of the Maritimes greatest competitor in shipbuilding and the carrying trade. Lastly, one cannot ignore the fact that "tidy fortunes were made in running the blockade with war supplies to the South and cotton to England."⁷

The Golden Age of "wood, wind and sail" and of Maritime prosperity proved to be a transitional period. The economy of the area was far too dependent upon international market conditions and this dependence upon changing trade relationships placed the economy in a most precarious position. Secondly, most of the economy was also dependent upon a particular mode of transportation, and even during the 1850-1880 period wooden ships were being replaced by vessels of iron and steel, while sails were being replaced by steam propulsion. "The old techniques hung on stubbornly but were gradually made obsolete by steel and steam."⁸ When in 1866 the United States refused to renew the Reciprocity Treaty and there was obviously no hope for a renewal of the old British Imperial Preference, the Maritimes began to turn away from the North Atlantic commercial system and to seek a new trade pattern with its British continental hinterland. The American market was important to all the British North

American colonies and its loss was one contributing factor in the Confederation negotiations.

The Confederation Settlement

The chief economic objectives of the Confederation settlement were the establishment of a free-trade area comprising the old provinces and to develop interprovincial transportation facilities.⁹ The national government was to be the architect of an integrated, transcontinental economy.

The cereals of the west, the timbers of New Brunswick and the Ottawa, the manufactures of central and eastern Canada, the minerals and fisheries of the Maritimes were to be the efficient elements in a great economic integration.¹⁰

The brightest economic prospect in Confederation for the Maritime provinces was that with direct rail connection to the extensive Canadian hinterland, the region's seaports could draw a large volume of commercial traffic. There can be no doubt that the promise of the Intercolonial Railway was an attractive incentive to Maritime leaders in their consideration of the Confederation proposals. In fact, Samuel L. Tilley of New Brunswick went so far as to state that the Railway was a condition of union.¹¹ Moreover the Canadians accepted the Intercolonial, not only as an economic and political necessity of the proposed union, but also as "a special concession to the commercial interests of the Maritime Provinces."¹² The supporters of Confederation,

in both Canada and the Maritimes, confidently argued that the new free-trade area would open up a growing market for Nova Scotia coal, New Brunswick lumber, as well as fish from the region, in Ontario and Quebec, and that a Canadian market would open up for Maritime manufactured goods as well. However, it was far more likely that it would be the colony of Canada that was provided with a larger market through Confederation, not the Maritime colonies.¹³ This was recognized by anti-confederates at the time, particularly those in the Maritimes. "It was maintained that the resources and industries of the Maritime and Canadian regions were not complementary, but competitive; and that their interests were contradictory and clashing."¹⁴ Many of the Maritimers recognized that manufacturing in Canada was far more mature than that of their own region, and that therefore they stood to suffer in competition.¹⁵ It was the commercial and mercantile interests of Halifax which provided the early motivation in the Nova Scotian resistance to union; a battle joined with great vigour by William Annand and Joseph Howe by 1866. It is interesting to note that the opposition to union in Nova Scotia acquired such strength that in the September 1867 federal and provincial elections, only one Confederate, Charles Tupper, was returned federally and only two Confederates were returned provincially.

Despite Nova Scotia's uneasy entrance to the 1867

Confederation, the British North America Act was a fait accompli. The major point of interest in the Confederation settlement for this study is in the fiscal arrangements worked out between the provinces and the new Dominion. Right from the outset the Confederation settlement treated the Maritime provinces as a special case. In addition to the subsidies and grants made to each of the four provinces, a special grant of \$63,000 per annum for ten years was made to New Brunswick and its debt allowance was calculated at \$27.77 per capita rather than \$25 per capita used for the other provinces. The per capita subsidy of 80¢ also differentiated New Brunswick and Nova Scotia from Ontario and Quebec, since it was agreed that this subsidy should increase with each decennial census in the case of the first two provinces, but not in the case of Ontario and Quebec. This increase in subsidy was to continue until New Brunswick and Nova Scotia had each attained a population of 400,000.¹⁶ In 1869 the Dominion agreed to "Better Terms" for Nova Scotia in order to place her on an equal footing with New Brunswick. Nova Scotia's debt allowance was increased to \$27.77 and a special ten-year grant, retroactive to July 1, 1867 was made to that province. This rectifying grant was calculated at the same per capita rate as New Brunswick's special \$63,000 subsidy, giving Nova Scotia \$83,000 per annum.

The fears of the anti-confederates, as regards the

Maritimes economy, proved true in time. Instead of the economy of the Maritimes proving to be complementary to that of central Canada, it was competitive. In terms of competition the Maritime provinces were not in a strong position to compete because the base of their economy, "wood, wind, and water" was being eroded. As the Maritimes were grappling with the problem of re-orienting their economy and were attempting to deal with adverse technological change, the new national government developed the National Policy, the protective tariff, and policies related to the settlement of the West, which served to worsen the region's economic condition. The great depression of 1873 to 1896 joined with these other factors to have a long-lasting ill effect upon the region.

The enormous capital losses of this period, large scale emmigration of the young and talented, and effective sharp adverse change on psychological attitudes had a permanent impact on the economy and people of the region. All the broad determinants of economic growth seemed to go into reverse.¹⁷

Although the National Policy did promote some growth in manufacturing in the Maritimes, the growth was soon offset by the development of mass production in central Canada and by that area's great growth in population. From 1896 to 1914 the Canadian economy experienced remarkably rapid growth, but the benefits of this growth experienced by the Maritimes were marginal. The region remained on the periphery. Already the trend had begun, to concentrate large sophisticated

manufacturing in the dense population areas of Ontario and Quebec; the attraction being the labour supply and the mass market available there. The Maritime manufacturers generally were unable to compete in the national market, and more and more, the surplus labour force "found refuge in the primary industries of the Maritimes", farming, fishing, logging, and trapping.¹⁸ The only industries to experience significant growth in the early twentieth century were the pulp and paper industry in New Brunswick, and the coal, iron, and steel industries in Nova Scotia. Nonetheless, distance from central markets, transportation costs, as well as the tariff structure contributed to the decline of Maritime manufacturing relative to the economy as a whole.¹⁹

The Period of Commissions

It is an old assumption that Confederation brought immediate economic reverses to the Maritime region. Maritimers themselves have tended to attribute all of their difficulties to Confederation. The chronically depressed state of the economy following the First World War gave rise to the Maritime rights movement, primarily in Nova Scotia. The Conservative Members of Parliament from Nova Scotia used "almost hysterical Maritime rights agitation to harass a Liberal government at Ottawa", claiming that the rights

of the Maritimes had been callously disregarded in the federal government's efforts to develop the nation.²⁰ The substance of these Maritime grievances lay in the handicap of the tariff structure and the adverse effects of transportation costs and policies. In 1926, Prime Minister King appointed a Royal Commission on Maritime Claims (the Duncan Commission) whose purpose was to investigate whether or not the articulated Maritime claims were justified. The Commission reported September 23, 1926 and in their report, Duncan and his fellow commissioners concluded that

the Maritime Provinces have not prospered and developed, either in population, or in commercial, industrial, and rural enterprise, as fully as other portions of Canada.²¹

Although the Commissioners felt that they were "unable to take the view that Confederation is, of itself, responsible" they did concede that the national government, within its sphere of control, may not have done all it should have for the Maritime Provinces.²² Since it appeared that there perhaps was a case that the Maritimes had been somewhat neglected in the enormous task of developing the nation, the time and opportunity had arisen for a stocktaking.

The Duncan Commission made numerous recommendations which were accepted and implemented. Their recommendations included federal subsidies to the three provinces, reduced freight rates on western movements, and subsidies to Nova Scotia coal, in order to make it competitive with central

Canada. But the major importance of the Duncan Report "lies in the fact that regional imbalance in Canada was recognized for the first time."²³

The Royal Commission on Maritime Claims was the first of four Royal Commissions over a period of eleven years, which were in some way concerned with the unbalanced growth of the Maritime region vis a vis the rest of the nation. In 1934 the Dominion government appointed the White Commission to determine the final amount of the federal payments as recommended by the Duncan Commission.²⁴ The annual subsidies that had been recommended by the Duncan Commission had been of an interim nature. Also in 1934, the Province of Nova Scotia appointed the Jones Commission to investigate the effect of federal fiscal and trade policy upon the Nova Scotian economy.²⁵ Beck states that,

It was . . . the Duncan Commission's failure to consider the burden of the tariff upon the province which led [Premier Angus L.] Macdonald to appoint the Jones Commission in 1934 to rectify the omission.²⁶

The Jones Report was an extremely important document in its recognition of regional disequilibrium in the economic growth and prosperity of the nation. The Commissioners examined three factors; the tariff, competition with central Canada and transportation rates, and their effects upon the Nova Scotian economy. One item in the Report was of great significance.

We believe that the industries of Nova Scotia regarded as a whole, have suffered materially from the high tariff policy pursued by the Confederation during the past fifty years We believe that the policy has been a factor retarding the economic development of the Province and that if a low tariff policy has been pursued the economic development of the Province would have been more rapid and that the Province would have been able to maintain an increasing population on a higher standard of living than has actually been enjoyed during the last half century.

In 1937 the Federal Royal Commission on Dominion-Provincial Relations (the Rowell-Sirois Commission) was appointed to conduct a thorough and objective study of the basis of the Canadian federal system. The Commissioners were to examine and report on the financial and economic basis of the country, the distribution of powers, and the financial relations of the two levels of government. The Rowell-Sirois Report stands as a major document in Canadian governmental experience, although the 1941 Dominion-Provincial Conference called to consider its recommendations broke up and the Report was shelved. Despite the failure of the Conference, the Report "greatly influenced Dominion-provincial relations after 1940," and eventually many of the recommendations were adopted in a piecemeal fashion.²⁸ Smiley attributes the rejection of the comprehensive settlement of relations between the two levels of government to obstruction on the part of the governments of Ontario, Alberta, and British Columbia.²⁹

In terms of the Maritime provinces, perhaps the most

important recommendation was that dealing with the payment of national adjustment grants to the more needy provinces; such grants to be calculated on the basis of fiscal need of the individual provincial government. This was a further recognition of regional imbalances within the Canadian nation, not only in the economic structure but also in the relative wealth and revenue capacity of provincial governments. Since 1934 the Maritime governments, or more particularly the government of Nova Scotia, had been advocating the principle of fiscal need.³⁰

The eleven year period of Royal Commissions is significant in that regional economic imbalances were recognized and accepted. The Table presented below can best summarize the importance of these Commissions for the Maritime Provinces. It should be noted that the various grants recommended by the Commissions were clearly special subsidies to these provinces in recognition of the adjustment necessary to put them on a more equal economic footing with the rest of the nation.

The Duncan grants were initiated in the fiscal year 1927-28 and were continued until the revised grants as recommended by the White Commission in 1935. It was originally proposed as a part of the Wartime Tax Agreements that the special subsidies (Duncan and White) to the Maritimes be dropped under the tax rental scheme. However the Maritimes

TABLE 3.1

SPECIAL GRANTS RECOMMENDED FOR THE PROVINCES OF
NOVA SCOTIA, NEW BRUNSWICK, AND PRINCE EDWARD ISLAND,
BY THE DUNCAN, WHITE, AND ROWELL-SIROIS COMMISSIONS

Commission	Nova Scotia	New Brunswick	Prince Edward Island
Duncan	\$ 875,000	\$ 600,000	\$125,000
White	\$1,300,000	\$ 900,000	\$275,000
Rowell-Sirois*	\$ 800,000	\$1,500,000	\$750,000

*The grants recommended by the Rowell-Sirois were never implemented.

succeeded in retaining a large portion of their special subsidies, by virtue of fiscal need, and secured an agreement that after the Wartime Agreement expired their subsidies would be restored in full as permanent statutory payments. The Maritimes Subsidies Act was passed in 1942 and came into operation in 1947.

Period of the Federal-Provincial Conferences

Since the 1940's conferences held between the national government and the governments of the provinces have become an important forum in working out the varied problems of Canadian federalism and particularly those problems of a fiscal nature. Throughout such conferences the economic

and fiscal difficulties of the Maritime provinces (and the Atlantic provinces after 1949), as expressed by the provincial Premiers themselves, have had two quite consistent and continuing themes. First, one finds a constant reiteration of the lagging nature of the region's economy relative to the rest of Canada and secondly there is a continuous appeal for fiscal adjustment for the region, by means of some form of federal transfers on the basis of fiscal need.

The Honourable A.S. MacMillan, Premier of Nova Scotia, stated in his address to the 1941 Dominion-Provincial Conference:

In perusing the history of Nova Scotia throughout the years following Confederation, it becomes clear that from an economic point of view Nova Scotia has changed gradually from being one of the most prosperous to one of the least prosperous areas in Canada. The three chief national policies, namely, transportation, settlement, and protective tariff, were formulated primarily to assist the economic development of the central and western provinces. The Maritimes received little direct benefit.³¹

It is interesting to note that Mr. MacMillan's views do not differ in substance from those prevalent in the Maritime Rights movement and in the various Royal Commission Reports. The grievances of the 1920's and the 1930's obviously carried into the 1940's despite measures taken as a result of the Royal Commissions.

The 1945 Dominion-Provincial Conference on Reconstruction saw the federal government present a package of proposals dealing with taxation and the widening of federal

responsibilities. Although a number of the Rowell-Sirois recommendations were included in the federal package, the principle of fiscal need as part of the federal tax-rental agreements was rejected, in favour of a straight per capita grant.³² For the benefit of Prince Edward Island, however, a special clause was injected into the agreement which guaranteed that in no case would the annual payment be less than \$2 million.

At the April 1946 Dominion-Provincial Conference the Premier of Nova Scotia, Angus L. Macdonald, presented a candid plea for recognition of the principle of fiscal need.

It must be realized however, that certain provinces in spite of competent and economic administration and restriction of expenditures to proper Provincial purposes, find themselves unable to maintain the standard of government services normal throughout Canada. Where such conditions prevail, they should be corrected by a special grant, the amount of which should be determined by the fiscal need of the Province.³³

The tone of Macdonald's statement is one which prevails throughout most of the appeals made by the Maritime Premiers; which is essentially an attempt to not sound like beggars at the doorstep of the federal government. The region's representatives repeatedly claim that the economic retardation is caused by forces which the provincial governments have been unable to control, and that their constant fiscal dilemma is not due to any mismanagement on the part of the respective governments.

In 1950 the Honourable J. Walter Jones, Premier of Prince Edward Island, indicated one contributing factor of his province's low taxing capacity; a factor which is also one manifestation of Prince Edward Island's economic troubles.

This migration of our youth has resulted in a much greater proportion of persons in the young and old age groups than the national average, while for the in-between ages the ratio on Prince Edward Island is considerably below the all-Canada figure. The latter reflects the exodus from the province of workers in the prime of life. They leave, after having been educated at the expense of the province, and when young vigorous, ambitious, and enterprising. By their departure the province loses not only the most efficient type of worker but also the energetic ability important to further expansion of domestic industry and enterprise. Their loss reduces too, the taxable capacity of the province, a fact which is all the more serious in view of the proportion which the dependent groups - the children and the aged - constitute of the total population.³⁴

Jones delineated in 1950 a problem which has persistently plagued the entire region, from the two pre-Confederation decades to the present.

The arguments for compensation to the Maritime provinces, because of the obvious economic and fiscal disparities of the region continued. In addition to suggesting that the causes of the disparities were beyond the control of the provincial governments, another frequent justification for compensation is that all citizens of Canada are entitled to certain national standards of services without having to bear excessive burdens of taxation. In 1957 Robert L. Stanfield, Premier of Nova Scotia presented a

determined appeal for compensation for the poorer Atlantic provinces.

. . . any attempt to meet the needs of the various provinces based on a formula of universal application is doomed to failure. I suggest that no formula can properly compensate for the disparity in natural resources, concentration of industry, and the distance from markets. I am convinced that no formula of general application can give a realistic recognition to the financial problems of the various Provinces of Canada.

Until such time as the economic life of the Province improves Nova Scotia - not as a suppliant but rather as a partner in the building of this nation must look to the Federal Government for assistance in maintaining a reasonable standard of services for its people.

On behalf of the Province of Nova Scotia I urge the payment of a maritime adjustment grant.³⁵

At the same conference, Premier Hugh John Flemming of New Brunswick completely supported his colleague from Nova Scotia and made a similar plea for recognition of special fiscal needs.

It is the view of our Government that the three Maritime Provinces have been dealt with, under the tax rental agreements without proper reference to their special immediate fiscal problems. While providing welcome added revenue, the agreements have not been designed to reduce and to progressively eliminate the income disparity between the region and the rest of Canada, which is at the root of our fiscal difficulties. We can never agree that any Dominion-Provincial agreement is adequate unless our special fiscal needs are recognized and provided for.

Every Canadian who has given thought to the matter, subscribes we believe, to the principle that each Canadian citizen is entitled to a certain reasonable minimum of services without having to bear a level of taxation more onerous than the Canadian average.

Owing to the differences in wealth and development, and therefore in tax-paying ability, all provinces are not equally able to give their citizens such a reasonable minimum level of services.³⁶

In the third renewal of the five-year tax agreements (1957-1962) the federal government added a section on equalization, which indicated the recognition and acceptance of the fiscal need principle.³⁷ One further development was important in the history of federal-provincial fiscal relations vis a vis the Maritime Provinces, during this period. The Diefenbaker administration passed the Atlantic Provinces Adjustment Grants Act. Under this legislation an additional subsidy of \$25 million annually was given to the Atlantic provinces. The division of the grant was worked out by the provinces themselves at \$7.5 million each to New Brunswick, Nova Scotia, and Newfoundland and \$2.5 million to Prince Edward Island. The rationale for these grants was the generally low fiscal capacity (tax-paying capacity) of the Atlantic region.³⁸ In 1963 the amount of the Atlantic Provinces Adjustment Grant was increased to \$35 million. Yet even with the passing of the Atlantic Provinces Adjustment Grant, the themes prevalent in the Atlantic Premiers presentations remained essentially the same. At the 1960 Dominion-Provincial Conference, Premier Stanfield stated:

If we are to establish a national standard of essential services, equalization of revenue for essential purposes must be the keystone of any financial arrangement entered into by Canada and the Provinces.

Even with the help of the Atlantic Provinces Adjustment Grants, and our relatively high rates of taxation in Nova Scotia, in the year ended March 31, 1959, we expended on a provincial basis \$24.20 per capita on Health and Welfare services, as compared

with the average for all provinces of \$30.73. On Education we expended \$25.35 per capita as compared with the average for all Canada of \$30.14.³⁹

Even with equalization payments and unconditional grants, the Atlantic Provinces apparently still deemed it necessary to continue to press their age old cause. Part of the explanation of course lies in the fact that the cost and scope of services demanded has greatly increased and grants and subsidies are still insufficient to equalize the differences in fiscal capacity in the nation.

It is obvious from the developments of federal-provincial fiscal relations that the Maritime provinces by the sea have gradually become more and more dependent upon transfers and subsidies from the federal government in order to maintain their viability. At the October 1966 Conference Premier Louis J. Robichaud gave eloquent testimony to this fact.

The Role of the federal government as the fiscal centre, the financial balance wheel of Confederation, has always been recognized. The federal government has done a great deal over the years to keep health, welfare, and education standards in the poorer provinces from falling even further behind. Without equalization, we could not even keep the one or two paces behind the rest of Canada that we now manage. With better equalization we will close the gap. I affirm that nothing must be done to erode the strong central authority of the federal government in fiscal matters. Such national fiscal pre-eminence is essential to our federal system.⁴⁰

It is rather interesting that in a period in which the wealthier provinces of Ontario, Alberta, and British Columbia,

(and Quebec for its own particular reasons) are advocating greater measures of provincial autonomy, including fiscal autonomy; the Maritime provinces are advocating continued federal fiscal pre-eminence because of their dependent position. The situation is in fact, that the Martimes have become haughty pensioners of Ottawa who are anxious to improve their position.

The points to be taken from the above narrative are threefold. The Maritime provinces have failed to develop and prosper economically on a par with the rest of the nation since the time when the very basis of their colonial economy was undermined by technological and market change. This fact has been made very clear in both the Duncan and Rowell-Sirois Commission Reports. Although specific industries such as coal and steel in Nova Scotia and pulp and paper in New Brunswick have fared well, it is not incorrect to state that attempts to reorient the economy since the Golden Age have been less than successful. Secondly, if one cannot lay the total blame for the region's economic stagnation at the doorstep of Confederation, it is accepted that the region's economy has not benefitted from national economic policies to the same extent as the rest of the nation. Indeed, some sectors of the region's economy, such as manufacturing, have suffered. Thirdly, there has been a gradual recognition and acceptance of the principle that the

nation's wealth should in part be redistributed to the less fortunate provinces and regions, and that this responsibility rests primarily with the federal government.⁴¹

Although there had been subsidies and grants to the Maritime provinces stemming from the original terms of the Confederation settlement, in the forties there was an essential redefinition of the role of government in society. The Canadian government embarked upon a series of interventions in the economy in order to accomplish a more equitable distribution of the national wealth. Initial moves were in the nature of personal transfer payments in the 1940's and 1950's, as the federal government entered the fields of unemployment insurance, family allowances, old age pensions, and with the establishment of many grant-in-aid programmes. Under the equalization features of the tax-sharing agreements of 1957, the national government greatly expanded its assistance to the provinces, using its predominance in the fields of personal income and corporation taxes to redistribute wealth by means of annual grants. Other policies aimed at aiding specific lagging areas in order to adjust disparities in regional economic activity have been initiated.

The 1958 Atlantic Provinces Adjustment Grants Act was a highly important recognition of economic regionalism in Canada; specifically the state of economic underdevelopment

in the Atlantic region. During the 1960's a number of federal government agencies and programmes were started with the purpose of aiding Canadian economic development within a regional framework. Since these will be dealt with extensively in Chapter six it is sufficient to merely mention them at this point: the Agricultural Rehabilitation and Development Administration (ARDA) established in 1961, the Atlantic Development Board (ADB) set up in 1962, the Area Development Agency (ADA) established in 1963, and the Fund for Rural Economic Development (FRED) set up in 1966. The most recent development has been the establishment of the federal Department of Regional Economic Expansion (DREE) under which the former agencies have been subsumed.

Today, if one considers the general economic situation of the Maritime Provinces in terms of the economy of the rest of Canada as a whole, it is obvious that the Maritime economy sustains serious disparities, which differentiate the region from the rest of the country. The Atlantic Provinces Economic Council (APEC) in its Fourth Annual Review characterized the area as a region sustaining a developing economy as a part of a maturing national economy.⁴² Many of the dimensions which characterize a developing economy are present in the Maritime provinces. There is a lack of industrial development coupled with heavy reliance on primary production activities.⁴³ From 1961 to 1965 the net value

of primary production averaged 32 per cent of total commodity production as opposed to 17 per cent in Ontario and 26 per cent for all Canada.⁴⁴ The Maritimes exhibit a relatively large rural population with small urban centres. In 1966 only 53 per cent of the Maritime population lived in urban centres, whereas the corresponding figure for Ontario was 80 per cent and for all Canada 74 per cent.⁴⁵ If the rural proportion of the population for 1966 is broken down into farm and non-farm division, the percentages for rural non-farm population are 38 per cent in the Maritimes, 13 per cent for Ontario and 17 per cent for Canada.⁴⁶ These figures indicate that a substantial proportion of the Maritime population is clustered in small towns. If one considers the Maritime labour force, it is apparent that the area exhibits low participation rates and high rates of unemployment and underemployment. Participation rate is defined as the ratio of the total number in the labour force to the number of people in the labour force age group. Obviously the higher this proportion, the greater will be the total production effort of the economy. Underemployment is essentially the employment of people in jobs which are not really necessary or employment of people for longer periods of time than is necessary to do a job. During the sixties the Maritime participation rate fluctuated between 48 and 50 per cent. In 1968 the rate was 49.6 per cent in comparison with 57.7 per cent for Ontario and 55.5 per cent for

Canada.⁴⁷ Despite protracted economic expansion during the sixties in Canada, the regional rate of unemployment has not been reduced below 5 per cent. "Almost invariably, the Maritime rate of unemployment has been at least two or three percentage points higher than Canada's rate and double the rate of Ontario."⁴⁸ All the dimension's discussed above operate to retard the growth rates of the region's economy and are indicators of a developing economy, not a mature economy.

The Maritime region suffers from a high rate of out-migration from the area, the consequences of which are slow overall growth of regional population despite a high birth rate relative to the nation as a whole. During the period 1961-1966, 82,000 people migrated from the Maritimes and of these, 80 per cent were under thirty-five years of age while 68 per cent were under twenty-five.⁴⁹ In other words the region is losing that proportion of its labour force which offers the greatest potential. This factor has two serious consequences. In the first instance the remaining population is heavily weighted on both ends of the age distribution scale, i.e. there are proportionately more very old and very young people (and thus non-participants in the labour force) in the region's population than is generally found in the rest of Canada. The result then is that the region "has a relatively larger number of dependents which

rely on a smaller work force to support them." The second consequences of out-migration is to reinforce an old historical trend;

. . . in many cases the workers who migrate are younger, better-educated, and more skilled, and the increased availability of a skilled labour force is a further inducement to industrialists to establish their plants in Ontario, and to avoid regions such as the Atlantic Provinces where such labour is less readily available.⁵¹

Out-migration may have had a similar negative effect on the growth of industrialization. One might well argue that migration out of the region has in effect slowed urbanization within the region, since the movement of the young and skilled might ordinarily have been to urban centres within the region.

The serious lag in the region's economy is perhaps best illustrated in the table presented below.

As Table 3.2 indicates the per capita income of the Atlantic provinces is significantly lower than that for the whole of Canada. Over the decade of the sixties, per capita income for the region has always been at least 30 per cent lower than for the rest of Canada.

In its submission to the Maritime Union Study, APEC argued that the greatest threat which the Maritimes face today is the prospect of finding themselves in the unenviable position of being mere "colonies" of Ottawa.⁵² This very real prospect stems from the rapidly increasing demand for

TABLE 3.2

PERSONAL INCOME PER CAPITA ATLANTIC PROVINCES AND
CANADA, AND PERSONAL INCOME PER CAPITA ATLANTIC
PROVINCES AS A PER CENT PERSONAL INCOME PER CAPITA,
CANADA, 1960-1969

Year	Nfld.	P.E.I.	N.S.	N.B.	A.P.	Canada	Per Cent
1960	895	942	1,242	1,104	1,099	1,618	67.9
1961	932	943	1,256	1,099	1,111	1,613	68.9
1962	951	1,047	1,307	1,147	1,156	1,720	67.2
1963	998	1,056	1,370	1,217	1,213	1,802	67.3
1964	1,070	1,165	1,452	1,311	1,298	1,898	68.4
1965	1,154	1,248	1,562	1,416	1,398	2,066	67.7
1966	1,274	1,367	1,713	1,571	1,538	2,283	67.4
1967	1,398	1,514	1,905	1,739	1,703	2,461	69.2
1968	1,487	1,682	2,072	1,907	1,851	2,660	69.3
1969	1,613	1,818	2,307	2,083	2,033	2,913	69.7

Source: DBS National Accounts

services and the resultant increases in provincial government expenditures, which are not being met by corresponding increases in provincial revenues. Which is to say that the productivity of the regional economy is not sufficient to sustain the fiscal needs of the respective governments of the three provinces. Thus the Maritime provinces are continually finding that a greater proportion of their Net General Revenue is dependent upon funds received from other governments,

and these funds come almost exclusively from the Federal Government. In the 1960's this proportion averaged about 35 per cent for the Maritime Provinces as compared to an average of 10 per cent for all Canada.⁵³

From the general economic context discussed in this chapter flowed the major portion of the debate concerning union in the 1960's. The entire crux of the debate centres on the concept of region and the perception of regional economic problems. That is to say, in terms of their economic development vis a vis Canada as a whole, the three provinces face serious economic difficulties and these problems are perceived to be regional in nature and extent. The difficulties which they face are common, and differentiate the region from the rest of Canada. Since the problems are common, the solution would appear to be a common approach through union. The persuasiveness of the pro-union arguments, examined in the next chapter, is contained in their assertions that union can solve, and is necessary to solve the region's economic difficulties.

FOOTNOTES

¹Since it is neither possible nor warranted to present a comprehensive economic history of the region in this study it is suggested that an excellent and detailed description is contained in the first section of S.A. Saunders, The Economic History of the Maritime Provinces, A Study Prepared for The Royal Commission on Dominion-Provincial Relations (Ottawa: King's Printer, 1939).

²S.A. Saunders, The Economic History of the Maritime Provinces, p. 1.

³APEC, Atlantic Canada Today, APEC, 1969, p. 15.

⁴Ibid., p. 16.

⁵S.A. Saunders, op. cit., p. 5.

⁶Ibid., p. 7.

⁷Ibid., p. 8.

⁸APEC, op. cit., p. 17.

⁹Ibid., p. 18.

¹⁰D.G. Creighton, British North America at Confederation, A Study Prepared for The Royal Commission on Dominion-Provincial Relations (Ottawa: King's Printer, 1939), p. 60.

¹¹Ibid., p. 44.

¹²Ibid.

¹³S.A. Saunders, op. cit., pp. 11-12.

¹⁴D.G. Creighton, op. cit., p. 41.

¹⁵Ibid., pp. 45-46.

¹⁶See W. Eggleston and C.T. Kraft, Dominion-Provincial Subsidies and Grants, A Study Prepared for The Royal Commission on Dominion-Provincial Relations (Ottawa: King's Printer, 1939), pp. 1-6, for a discussion of these fiscal arrangements.

¹⁷APEC, op. cit., p. 19.

¹⁸Ibid., p. 22.

¹⁹Ibid., p. 24. The study notes that during the 1920's whereas employment in the manufacturing sector rose by 14% for Canada as a whole, for the Maritimes it fell by 6%.

²⁰J. Murray Beck, The Government of Nova Scotia (Toronto: University of Toronto Press, 1957), p. 339.

²¹Canada, Report of the Royal Commission on Maritime Claims (Ottawa: King's Printer, 1937), p. 9.

²²Ibid.

²³APEC, op. cit., p. 25.

²⁴Canada, Report of the Royal Commission on Financial Arrangements between the Dominion and the Maritime Provinces (Ottawa: King's Printer, 1935). For a brief and comprehensive survey of all four commissions and their recommendations, see Chapter 20 of J. Murray Beck, The Government of Nova Scotia, 1957.

²⁵Province of Nova Scotia, Report of the Royal Commission Provincial Economic Inquiry (Halifax, N.S.: King's Printer, 1934).

²⁶J. Murray Beck, op. cit., pp. 340-341.

²⁷Report of the Royal Commission Provincial Economic Inquiry, p. 49.

²⁸R. MacGregor Dawson, The Government of Canada, Fourth Edition, Revised by Norman Ward (Toronto: University of Toronto Press, 1963), p. 115.

²⁹Donald V. Smiley, "The Rowell-Sirois Report, Provincial Autonomy, and Post-War Canadian Federalism," in J. Peter Meekison (ed.), Canadian Federalism: Myth or Reality (Toronto: Methuen, 1968), p. 69. Smiley's article is interesting in that he maintains that the core concept of the Rowell-Sirois Report, that of provincial autonomy, has been largely ignored in subsequent developments in federal-provincial relations, although many of the recommendations involving fiscal transfers have been implemented.

³⁰J. Murray Beck, The Government of Nova Scotia, pp. 330-335.

³¹Proceedings, Dominion-Provincial Conference, 1941 (Ottawa: King's Printer, 1941), p. 17.

³²R. MacGregor Dawson, op. cit., p. 117.

³³Proceedings, Dominion-Provincial Conference, April 29 - May 3, 1946 (Ottawa: King's Printer, 1946), p. 420.

³⁴Proceedings, Conference of Federal and Provincial Governments, December, 1950 (Ottawa: King's Printer, 1951), p. 43.

³⁵Proceedings, Dominion-Provincial Conference, November, 1957 (Ottawa: Queen's Printer, 1958), pp. 30, 32, and 33.

³⁶Ibid., p. 39.

³⁷R. MacGregor Dawson, op. cit., p. 118.

³⁸A. Milton Moore and J. Harvey Perry, The Financing of Canadian Confederation, The First Hundred Years (Toronto: Canadian Tax Foundation, 1966), p. 61.

³⁹Proceedings, Dominion-Provincial Conference, July, 1960 (Ottawa: Queen's Printer, 1960), p. 35.

⁴⁰Proceedings, Federal-Provincial Conference, October, 1966 (Ottawa: Queen's Printer, 1968), p. 34.

⁴¹See Pierre Elliott Trudeau, Federal-Provincial Grants and the Spending Power of Parliament, Working Paper on the Constitution (Ottawa: Government of Canada, 1969).

⁴²APEC, Fourth Annual Review, The Atlantic Economy, APEC, 1970, p. 13.

⁴³See Richard J. Van Loon and Michael S. Whittington, The Canadian Political System, Environment, Structure, and Process (Toronto: McGraw-Hill, 1971), pp. 34-35. The authors discuss the very low proportion of Maritime production which is manufacturing and the high proportion which is in primary industry and some of the implications, ie. primary industries are less likely to create jobs.

⁴⁴The Atlantic Provinces Economic Council Research Centre, Industrial Development Policies in the Maritime Provinces, A Report Prepared for the Maritime Union Study, (Fredericton, N.B.: 1970), Table VII, p. 22.

⁴⁵Ibid., Figure 1, p. 19.

⁴⁶Ibid.

⁴⁷Ibid., p. 7.

⁴⁸Ibid.

⁴⁹Ibid., p. 5.

⁵⁰APEC, Fourth Annual Review, p. 27.

⁵¹T.N. Brewis, "Regional Development: The Need for a Federal Policy," Business Quarterly, Vol. 27, No. 3, Fall, 1962, p. 42.

⁵²Maritime Union Study, Public Briefs (Fredericton, N.B.: 1969), Submission by the Atlantic Provinces Research Council, p. 32.

⁵³Ibid., p. 27.

Chapter 4: Maritime Union: The Arguments

"If one traces the origins of the concept of the Union of the Maritime Provinces, one notes that two factors have been considered to date, efficiency and economy."¹ In considering the following enumerated arguments in favour of Maritime Union, the dominant economic theme is clear. Each pro-union argument and its corresponding counter-argument is summarized briefly below.

1. The civil service of one large province would result in greater efficiency.

This argument has as its core a supposition that in union there would be greater value for every dollar spent on the civil service. The argument posits a new and streamlined civil service; a civil service which would erase the unnecessary duplication of services which now exists with the three administrations. The argument also envisions a civil service which will enjoy greater prestige and offer higher salaries, thus enabling it to attract higher calibre personnel. There are a number of statistics available to indicate the inefficiency of Maritime civil services as compared to the more efficient administrations of the other provinces. For instance the Maritime provinces have 2 1/2 more civil servants per 1,000 of population than the rest of Canada while the quality of service is

thought to be lower in the Maritimes. The Deutsch Report feels that the probable lower quality of service is indicated in the salaries paid to civil servants, expenditures per capita on various services, and payment scales for welfare and health programmes.² Although the Report presents tables to show that the average salary for Maritime civil servants is lower than for the rest of Canada, it would appear that these three indicators alone are insufficient to measure quality of service. For example, although payment scales for welfare services may be low, this may merely be an indicator that funds are diverted into other programmes on which the individual government places a higher priority.

It is apparent that as regards the higher proportion of civil servants to population, the future is less than optimistic since the Maritime civil service displays a more rapid rate of increase than the rest of Canada. From 1963 to 1969 the numbers of civil servants in the Maritimes increased by 42.2 per cent as compared with a 34.8 per cent for all the provinces, and during the same period the gross payroll for the Maritime civil service increased by 116 per cent as opposed to 108 per cent increase for all provinces.³ The reasoning presented is that if each civil servant in the Maritimes were serving more people the result would be a greater efficiency with a sound dollars and cents

value. The value of the posited increased efficiency has been calculated to be worth \$38 million in 1967, or a saving of over 40 per cent of that year's gross payroll.⁴

The initial assumption that in union the new bureaucracy will be sufficiently streamlined so as to allow substantial savings in expenditures should not be accepted as entirely valid. It would seem that the efficiency of the Maritime civil service is open to improvement but can Union be interpreted as a device for effecting this improvement? Firstly, political union will not suddenly find great numbers of the presently employed civil servants immediately out of work; bureaucracies simply do not operate in this manner. Accommodation will have to be made for all bureaucrats presently employed. However, streamlining could be effected by allowing unnecessary positions to remain vacant when and as present civil servants retire. Yet, even after a prolonged time period when retirements have taken their toll, the new civil service may not be as streamlined as is hoped. A single civil service will still have to administer the same geographical area.

There is a counter-argument which runs that the civil service of a united province could tend to become over-sized and cumbersome since every (former) member province would have to be assured of its fair share of bureaucratic representatives in the new administration.⁵ In other words there

could be pressure to have a single administration quite decentralized; to have various administrative departments parcelled out amongst the present provincial capitals. But the new civil service could only be completely efficient if all the departments were consolidated and operated from a single capital. The principal question to be asked, is how does one measure efficiency as applied to the public sector? Within the private sector the profit motive provides an easy guideline to measure efficiency; the maximum possible output given the necessary application of resources. This definition is not so readily applied to the provision of public services.

There are two other problems frequently mentioned, which, although not related to the efficiency concept, do impinge upon the idea of a united public administration. It is argued firstly, that conceivably there would be extra cost involved for the individual citizen, to deal with an administration grown more distant through union and consolidation. Again from the citizen's point of view, the more centralized government and administration is, the more inaccessible it appears to be. The implicit assumption is that in the Maritimes, because the provinces are small in area, the citizen is used to dealing with a government that is relatively close to him. Although a new, centralized administration may make the citizen access situation more

similar to that in the other, larger Canadian provinces, it would likely entail some adjustment for the citizens of the Maritimes.

The second problem is that presumably it would be necessary to establish common levels of public services throughout the united province. Since it is unlikely that the citizens in any one province would approve a significant reduction in the level of their services, each public service would have to move towards the highest level prevailing in any of the provinces. "This [problem] constitutes one of the most formidable obstacles to union, for there are considerable differences in average income and therefore in fiscal capacity among the provinces."⁶ John Graham, who raises this problem, does not go into an actual discussion of services, but instead concentrates on the differences in fiscal capacity.⁷ He states;

The provision of common levels of services would require higher taxes throughout the region with the least benefits to the wealthiest of the provinces, notably Nova Scotia, which would at the same time be making the largest contribution to the support of the uniform standard of services in the poorer provinces.⁸

2. A more convincing argument, on the surface at any rate, states that since the Maritime provinces constitute the most over-governed region of Canada, a united province would result in substantial savings in governmental expenditures.

Those who support this argument deplore the over-representation in the three provinces. They bring to bear great quantities of statistics to support their argument. For example in Nova Scotia there are 43 legislators, or one legislator for every 17,674 citizens as compared to 108 in Ontario, or one for every 60,981 citizens.⁹ Prince Edward Island with 30 legislators has one for every 3,567 citizens and New Brunswick has 32, or one for every 11,865 citizens.¹⁰ Another example cited is that the four Atlantic Provinces together have 46 cabinet ministers which is more than Ontario and Quebec combined.¹¹ The crux of the argument is that with the union, the elimination of unnecessary legislators, cabinet ministers, plus two lieutenant-governors would result in substantial savings. Instead of three legislatures there would be one, instead of three cabinets there would be one, and instead of three premiers there would be but one.

It would appear that the numbers of legislators and cabinet ministers are no indictment in themselves, and are not all that unreasonable since the three provinces are separate provinces. Perhaps there is a good deal of merit in having more elected representatives for fewer people, at least in terms of our democratic ideals. The major counter-argument is that the estimates of proposed savings are greatly exaggerated and that actual savings would be of

minor significance; ". . . it is doubtful if a union of the three Maritime Provinces could save more than \$5 million or roughly 2 per cent of the combined budget."¹² More than likely the legislature would have to be quite large, certainly no smaller than the smallest now in existence, in order to accommodate the diverse sections of the united province. Possibly it would be necessary to increase the stipend of legislators since many would have greater distances to travel between the capital and their constituencies, although this increased cost would not be of any great significance. In its submission to the Maritime Union Study, APEC argued that the operation of government today is business, in fact big business, and that for any business to survive it must operate as efficiently as possible. This precept as applied to either bureaucratic efficiency or governmental expenditures at the executive and legislative levels, is nothing more than a value judgment. On the other side of the coin, exaggerated or underestimated statistics aside, do possible savings in expenditures justify the tearing up of historic political and social borders?

3. A united Maritime province would tackle regional economic planning and development in a coherent manner, thereby reducing needless competition and duplication, and as result effecting economies.

This argument is the most important since it strikes at the core of the economic ills which plague the area. The underlying assumption is that the solution to the region's economic ills is planning and programmed development and that the most successful approach to such planning is a united approach. Given the stagnating conditions of the economy, the core of economic development is the successful attraction of new industry which will stimulate the economy. APEC argues that "any program of general economic and social development must have as its basis a program aimed at industrial development."¹³ It is only by developing and expanding the manufacturing sector of the economy that unemployment, underemployment in the primary industries, and out-migration can be effectively dealt with. The attraction of industry to the region is important not only in terms of that industry locating but also in terms of the secondary and service industry which it will encourage. But there are problems involved in the region's attempts to attract industry which could be overcome by a united front.

The Maritimes have definite disadvantages as compared with the well-developed manufacturing centres of Ontario and Quebec, and therefore the area must consciously try to sell itself through promotion and incentive policies in order to attract new industries. What occurs so frequently

in the scramble for new industry, is a competitive bidding between the provinces for individual industries, which in the final analysis is harmful for the whole area.¹⁴ When a company is considering locating in the Maritimes it will approach first one government and then another, playing them off against each other in order to acquire the greatest concessions and best offers possible vis a vis land grants, low-interest loans and tax concessions. Such negotiations are continued until one government backs out.¹⁵ This practice hurts the economy of the region since inevitably a province acquires a new industry on terms of inducements which are not economically feasible to the province. A united province would remove this competitive interaction.

Within a politically united province, the region could mount a concerted industrial promotion drive, using a co-ordinated plan of designated industrial areas. Specific industries would be encouraged to locate in particular areas of the region which are suitable for that kind of industry. With this kind of rational planning in industrial promotion, useless and harmful competition would be eliminated. It is the "lack of inter-provincial co-ordination which constitutes the principal weakness in economic planning in the Maritimes at the present time."¹⁶

There is no denying the necessity of co-ordinated economic planning and industrial promotion in the Maritime

region, but "there is no reason why (co-operation) should be conditioned by political union."¹⁷ The major theme of the counter-argument holds that there already is a considerable amount of formal and informal co-operation between the three provinces, and that "provision could easily be made for a more formalized system of co-operation for the purposes of economic planning."¹⁸ It may be argued that inter-provincial agencies such as the Atlantic Provinces Economic Council, the Atlantic Research Board, and the Maritime Inter-provincial Power Grid are proof that the provinces can make joint efforts in any number of important fields, while still remaining separate political entities. The purpose and work of these agencies will be explored in Chapter Six. A further counter-argument maintains that the competitive scrambling for new industries which now goes on within the region would not necessarily cease with political union. Within the provinces themselves, regions compete for industries to locate within their area. One example is the sometimes bitter rivalry between the under-developed Northeastern region of New Brunswick and the St. John river valley area of that province. The situation in the individual provinces is easily extrapolated to the larger context of the region, presenting a less than reassuring picture. It should not be accepted at face value, that competition for industry will cease with political union.

The major question which arises from this aspect of the union debate is whether or not political union is necessary to accomplish the economic co-operation and co-ordination which is so desirable. Obviously an approach which treats the Maritimes as adjacent entities with common problems, needs, and potentialities is warranted. But would not intergovernmental economic planning, as opposed to full political union be sufficient? This question will be dealt with in full in Chapter six.

4. A united Maritime province would wield greater influence at the federal council table.

The basis of such an argument rests on a belief that the Maritime provinces are regarded by Ottawa as

three little groups of lawmakers who cannot agree on what they want, who speak with a scattering of shrill voices to a federal government already assailed by other and more powerful voices.¹⁹

In other words, if the Maritimes were to speak with a united voice, although the new province would not be in the same league as the large provinces of Ontario, British Columbia, and Alberta, there would be greater success in making the voice of the region heard and in securing economic benefits for the region. The counter-argument is simply that union would diminish rather than enhance the influence of the Maritimes; that in fact, three voices at federal-provincial conferences are better than one. Federal-provincial

conferences and the important conferences of Prime Ministers appear to be increasingly important Canadian institutions, and the Atlantic region now holds four of the eleven seats at such conferences. In the event of union the Atlantic region would be giving up the bulk of its representation and possibly certain bargaining advantages. Furthermore it would seem that the existence of three political units does not preclude there being unanimity and concerted action among the three in specific bargaining situations. The stands taken by the Premiers of the three provinces vis a vis fiscal need and equalization (documented in the preceding chapter) are good examples of mutually supportive action on the part of the three.

There is another aspect of Maritime influence at the federal level which may be considered. Space does not permit an exhaustive explication of the intricacies whereby Canada arrives at the representation in the House of Commons.²⁰ Briefly, the present situation is as follows. As the provinces of Ontario, British Columbia, and Alberta increase their population relative to the other Canadian provinces, they are entitled to more representatives in the House of Commons at each decennial redistribution, while the other provinces are entitled to fewer representatives. However section 51 A of the BNA Act states that "a province shall always be entitled to a number of members in the House

of Commons not less than the number of Senators representing such province."²¹ This clause guarantees that Nova Scotia and New Brunswick shall never have less than ten Members of Parliament and Prince Edward Island not less than four. As of the last census and redistribution New Brunswick and Prince Edward Island have ten and four seats respectively, while Nova Scotia has eleven, or one over its guaranteed minimum. In the redistribution due after the 1971 census report Nova Scotia will lose one seat and all three will be at their protected minimum. Eventually all three provinces will be over-represented in the House of Commons as Prince Edward Island already is. The question of union will undoubtedly lead to the question of representation in the Senate for the new united province. One must consider it a distinct possibility that the Maritime provinces may find themselves with a smaller numerical representation in both the Senate and the House. Certainly some constitutional changes will occur when the new province is created from the three old ones and section 22 of the BNA Act, granting the number of Senators to each province, may well be amended.

It would be difficult to justify giving one province, with ten per cent of the national population, thirty per cent of the seats in the Senate, while other provinces with twice the population have only twenty-four Senators each.²²

The above statement includes Newfoundland in the possible

union, but if one includes just the three Maritime provinces, slightly less than ten per cent of the population still holds slightly less than twenty-four per cent of the Senate membership. This would appear to be one instance in which the Maritime provinces would be better to leave well enough alone. In any case, it is not at all clear that the Maritimes will necessarily have greater influence in the national political arena, in the event of a political union.

5. A united Maritime province would present a new challenge and could possibly arrest the exodus of Maritimers to other parts of Canada.

The major premise of this argument could be termed the psychological effect; union would mean a new beginning and the Maritimes might "throw off this ancient stink of defeat."²³ As was previously noted this is the one new argument which has been injected into the old union debate. If Maritimers could be convinced to accept a change as radical as a union they might then be more receptive to other changes. Given good leadership, the adjustments necessary for political union would be mere trivialities and would soon be forgotten. There would be an important new stimulus and challenge to work towards developing the new province. Concomitant with this hope of a fresh beginning is the hope of providing greater incentives for

young people to remain in the region and contribute their valuable training and education to its economic development.

The counter-argument states simply that the old loyalties or parochialisms will not be superceded easily or quickly by new attachments; they are ingrained too deeply. The beginnings of separate and continuous history for each of these three provinces is rooted in the second half of the eighteenth century. Three political cultures with a complex of traditions centering on three governmental entities have been developing for two centuries and will not be eliminated easily. A political consciousness has developed from loyalties and traditions engendered by two hundred years of independent existence. It is more than possible that matters of detail such as the choosing of a new capital will loom as matters of principle in attempting to bring about union. Former Prime Minister Pearson, consciously or unconsciously, defined these sorts of difficulties when he jokingly chose as a new name for the united four provinces (the proposal in 1964 originally included Newfoundland) "The Islands of Nova Brunsland."²⁴

The arguments presented above comprise the dominant themes of the union debate. The underlying economic concerns are apparent, whether the specific concern be with cutting back governmental expenditures, creating new incentives for economic development, or bargaining for a larger share of

federal handouts. In each case the counter-arguments may be considered to hold as much validity as the original arguments. There have been other less cogent arguments put forth by union advocates. For instance, political union would ensure uniformity in such things as education systems and highway regulations. Another minor argument states that if Quebec should secede from Canada and the Maritimes were cut off from the rest of the country, it would be better if there were only one Maritime government for the isolated region. These are the benefits and liabilities perceived in the union issue by those who favour union and those who oppose union. These arguments set the parameters within which the Maritime Union Study considered the issue and within which the Report was written.

The Report on Maritime Union

On March 26, 1968 the three Premiers of the Maritime provinces made statements to their respective legislatures which jointly appointed the Maritime Union Study. The Premiers "agreed to sponsor a special study on Maritime union including the possibilities for economic and other forms of regional co-ordination and co-operation."²⁵ Dr. J.J. Deutsch was appointed as Special Advisor to the Study and Mr. F.R. Drummie as Executive Director. There were a total of eighteen special studies commissioned on a wide

variety of pertinent subjects ranging from the history of Maritime union movements to federal-provincial relations. The Study also held public hearings and received a total of twenty-five public briefs. In October, 1970 the final report was published.

The public briefs submitted represent a relatively wide cross-section of private organizations in the Maritimes as well as a number of individuals. Of the twenty-five briefs submitted, eight recommended full political union and four were quite opposed to the concept. The conclusions of the remaining thirteen ranged over varying degrees of co-operation between the three provinces while some made recommendations not at all pertinent to the terms of reference of the study. The eight organizations which advocated union were; the Amherst Board of Trade (N.S.), the Atlantic Co-operative Council, the Atlantic Provinces Economic Council, the Atlantic Division of The Canadian Manufacturer's Association, the City of Moncton, the Saint John Board of Trade, and the students of Saint John High School. The four opponents to union were; The College de Bathurst, M. Gerald Bouchard, Mr. Robert Coates, M.P. (Cumberland-Colchester North), and Mr. Arthur Doyle.²⁶ The most impressive of the briefs submitted is undoubtedly that of the Atlantic Provinces Economic Council, both in terms of the data which it contained and the concise analysis of the region's complex problems

presented. The Council offered an excellent explication of the present economic context of the region and examined in particular the financial difficulties of the Maritime public sector. APEC concluded;

political union of the Maritime Provinces is the most effective, if not the only, way that the region will be able to maximize its own economic and social development potentialities in a dynamic world and to contribute to the growth of the nation of which it is a part. We feel that the economic imperatives of the day, both relative to the circumstances under which the individual provinces were created, and to the rapid growth in provincial government expenditures as compared to revenues and financial capacity, warrant changing the institutions as they now exist into a larger structure capable of dealing with the current situation and that of the years ahead.

The Council also feels that this rationalization of services and the degree of co-ordination and co-operation required for a systematic approach to the industrial and overall economic development of the region can only be achieved as a result of this political union.²⁷

Obviously APEC feels that from an economic standpoint, Union is the one solution to the region's problems.

Drawing upon the studies and the briefs, the final Report was compiled. The Report itself is quite short and to the point. The first chapter, entitled "Background to the Idea of Maritime Union", traces the economic history of the three provinces and points out that the threat of slow economic growth and the less than full participation in the economic life of the nation pose the most serious problems and challenges to the Maritime region. In other

words the Report, at the outset, links the economic problems of the area with the concept of union in the past and with its resurrection in the present.²⁸

The second chapter deals with the new challenges and new problems of the Maritime region, and considers four trends which impinge upon the Maritime economic environment. There are several consistent themes and implicit conclusions prevalent throughout this chapter; the small context of the Maritimes, the need for scale, the need for a regional response, and the need for efficiency. The first trend considered is the changing economic environment; the forces of technology, urbanization, and centralization which are propelling economic integration and agglomeration at the industrial heart of the continent. The Report states; "It is clear that these underlying forces and trends in the Canadian economy present new challenges to the Maritime region."²⁹ Moreover these challenges cannot be met successfully by piecemeal methods and divided efforts; rather "the co-ordination of aims and policies on a regional basis is indispensable."³⁰

The second trend considered is that of changing federal policies, particularly the changing federal approach to Maritime problems. The Report finds that a distinctive change has occurred in the past ten years and that the federal approach has moved from income-supporting, prop-up

policies to programmes which will be conducive to positive and long-range improvements. The Department of Regional Economic Expansion is cited as an important indicator of this trend, and these new federal policies call for "an appropriate response from the region."³¹ The Report feels that since the federal government has committed itself, through DREE, to comprehensive and integrated economic development undertakings it is only proper that the three provinces undertake co-ordinated economic planning.

What is needed is the ability to develop and carry out plans, policies, and programmes on a regional basis. The economies of the Maritime provinces are individually too small and too interdependent for the effective planning and execution of development programmes in the face of present day social and technological trends.³²

The Report next considers the changing role of the Provincial governments and their finances. Because there has been an increase in the role of government in post-war society and because in the Canadian context there has been a shift in the relative importance of provincial and local governmental functions, the Maritime provinces have been faced with a chronic difficulty in balancing rising expenditures with revenues. In the Maritimes this can be explained by the lower fiscal capacity of the region due to lower average incomes and also the relatively higher overhead costs of Maritime government.

As one might expect, the cost of administrative overhead are distinctly higher for the much smaller provincial units in the Maritimes than in other parts

of the country. Relatively more civil servants are required and methods of operation are not as efficiently organized as in larger-scale activities.³³

The Report implies here that more civil servants per population are required in the Maritime provinces because they are too small to benefit from the economies of scale possible in the other larger provinces.

In attempting to seek the means of raising provincial revenues, the option of higher taxes in the Maritimes has severe limitations since taxes already are very high and furthermore increased taxation would likely have a generally negative effect on economic development. The other possibility is, of course, to seek larger payments from the federal government. In this regard the Report indicates that taxpayers in the region as well as in the whole country will be concerned that unnecessary costs are avoided and better results achieved

through more effective planning and co-ordination, through more efficient administration (by reduction of overhead and the combining of efforts), and through the elimination of conflicting policies and competitive programmes.³⁴

In considering the present role of provincial governments and their financial circumstances the Report specifically singles out education, health services, and social welfare services. The Report views the entire field of education in a regional context and concludes that "there is immense scope among a number of small neighbouring

provinces for joint planning and close co-operation in order to reduce costs and to achieve better results."³⁵

In discussing health services the Report finds that

. . . in the circumstances of a public service of this scale, complexity, and cost there is very great scope, and very great advantage, in the co-ordination and integration of efforts among the governments of small areas with limited and scattered populations.³⁶

Similarly the Report feels that in the field of social welfare services there is considerable scope for joint action in order to reduce costs and improve services. The problems of fighting poverty generally are "compounded by the smallness of the provincial units."³⁷

The fourth and final trend which the second chapter considers is the changing constitutional framework. Given the growth in governmental services and responsibilities which fall within the provincial jurisdiction coupled with the federal government's taxing and fiscal power, the Canadian constitution has generated severe fiscal strains and imbalances. The Report finds that the constitutional discussions which are attempting to work out the present difficulties are being strongly influenced by an "increasing pre-occupation with regional self-determination on the part of several of the larger regions, for either cultural or economic reasons." Obviously the Maritimes are no exception in this matter, but the Report points out that in the context of these powerful regional blocs there is a

possibility that "the interactions between these strong groups and interests hold obvious dangers for a small slow-growing region at the far extremity of a transcontinental nation."³⁹

With each of the new trends that this chapter examines the focus applied is a purely economic one. Each of the forces have been posed as a new challenge to the Maritime region and discussed in terms of what would constitute an effective response from the region to these challenges. The analysis is consistent throughout the chapter; without the economies of scale and the efficiency to be derived from greater co-operation between the provincial units an effective response is not possible. Relative to the nation the Maritimes' economy is small, the provincial units are too small, and efficiency and effective results are less than adequate due to overlapping action by the units.

. . . these developments present new challenges of vast importance to the three Maritime provinces. An effective response to these challenges, a response which would adequately protect and advance the interests of all the people of the region, calls for strong and far-seeing co-operation between the three governments.⁴⁰

The third chapter of the Report is concerned with the possible courses of action open to the three provinces. Beginning with the premise that the new challenges confront the region as a whole and not the citizens and governments of the individual provinces, the Report presents and evaluates

three solutions. These options are informal co-operation, formal co-operation, and some form of union. Although admitting that in both the private and governmental spheres there is an extensive network of informal and voluntary co-operative arrangements and activities, the Report rejects informal co-operation as a viable solution. The rejection of voluntary co-operation is offered because, although there is much of value in such a system, "there are severe limitations to what can be accomplished by this method."⁴¹ Furthermore, the existing voluntary co-operation has accomplished little to date, in terms of solving the economic difficulties of the region. The Report argues that nothing of real substance can reasonably be expected of informal co-operation in the governmental sphere because of the fundamental social and political issues involved. Presumably, the meaning here is that serious, co-ordinated economic planning involves fundamental decisions and with informal co-operation there would be no single responsible locus of decision-making authority. It seems that the Report implies that without a single decision-making body, effective and authoritative decisions could not result.

The Report next speculates upon and evaluates a formal and structured method of co-operation. It would be possible to set up co-operative machinery throughout the governmental structure; for instance a council of premiers

with a permanent secretariat and interprovincial committees of ministers, also with permanent secretariats which could jointly carry out specific administrative functions. The Report, however, rejects a formal system of co-operation because of a number of serious drawbacks. The first drawback perceived is that the machinery of structured co-operation would "unquestionably result in a further multiplication of bureaucracy and thus add to governmental overheads which are already disproportionately burdensome in the region." Secondly, formal co-operation is rejected because the process would be too cumbersome and slow; there would be too much time devoted to meetings, consultations, and the like. Finally, the most serious drawback to a formal system of co-operation is that there would be "no executive power for common action."⁴³ Since the political representatives who would be involved in the basic policy decisions would always be responsible to their respective political constituencies, the interests of the region as a whole would suffer from compromises and accommodations.

The Report proceeds to consider a union of the three provinces and evaluates three possible types of union; administrative union, economic union, or full political union. Although there would be much of value in a joint administration of services, the Report rejects an administrative union between the three provinces because it would not

make possible common action on matters of basic policy. This flaw is particularly pertinent to general economic planning and economic development policies. A full economic union would be far more effective in this regard. Inter-governmental structures could be set up which would provide joint economic planning, joint industrial promotion policies, joint negotiation with the federal government vis a vis regional economic development, and uniformity in regulations and legislation pertaining to economic matters. The drawbacks which the Report finds with economic union are essentially the same as those for formal co-operation. There is a danger of bureaucratic proliferation, adding to the already high governmental overhead of the three provinces. Furthermore the political decisions necessary to a successful economic union would be dependent upon the three separate governments, "each of which must look to local political support."⁴⁴ Finally the Report considers full political union:

Obviously, full political union would provide the most effective machinery for the fullest possible attainment of the common objectives of the region. By this means the large common interest of all the people of the region could be worked for without the complexities, delays, frustrations, and costly overheads inevitably associated with other forms of co-operative effort.⁴⁵

The Maritime Union Study Report indicates in a logical sequence that from any aspect of the economic standpoint the obvious option for the Maritime provinces today is to proceed towards a full political union. In the fourth chapter, containing

the conclusions and recommendations, the economic arguments for political union are reiterated and crystalized.

If the Maritime provinces are not prepared to accept the

conditions and the risks inherent in a chronically dependent region in the Canadian federation, they will have to find more realistic way of influencing their own future.⁴⁶

And in the Report's view a realistic approach cannot be based upon individual governments operating in a small region. The authors therefore recommend that immediate co-operative structures be set up with the final goal being full political union. The Report suggests suitable machinery and methods which could effect a full union over a ten-year period. The recommendations include a Council of Maritime Premiers, a Maritime Provinces Commission, and a Joint Legislative Assembly, which would amongst them work out the infinite number of details and changes necessary to progress towards political union. The Report takes into account, briefly, such matters as the status of the French language and educational and cultural rights, as well as the name of the new province. They recognize that these items could be problems "if narrow attitudes prevail." Yet if they are not elevated into huge issues, satisfactory solutions could be found. The Report recognizes also the reluctance to accommodate change prevalent in the Maritimes and the existence of strong, historical and traditional ties

to the individual provinces. The authors conclude that although means could be found to adjust to the changing circumstances and challenges while still retaining the existing provincial units, it is likely that "the future would be like the past."⁴⁸ The disabilities would be sustained and the three small governmental units would become more and more dependent upon federal subsidies, contributions, and equalization payments.

The central question is, to put it very starkly, does a significant majority of the people of the Maritimes attach importance to achieving a more rapid rate of economic development in order to raise average living standards and to provide more adequate employment and career opportunities in the region; or is a higher priority assigned to the maintenance of local attachments, local diversities, local autonomies, small scale relationships, and the existing structure and pace of life?⁴⁹

Given the apparent economic bias of the Report, the question which this study raises is, are there other than economic factors which have been inadequately examined, which impinge upon the question of union or perhaps, mitigate against full political union?

FOOTNOTES

¹Maritime Union Study, Public Briefs (Fredericton: 1969), Submission by the College de Bathurst, p. 89.

²Maritime Union Study, The Report on Maritime Union, Commissioned by the Governments of Nova Scotia, New Brunswick, and Prince Edward Island, October, 1970, Appendix B, p. 85. See particularly Tables B-5 and B-6, pp. 91 and 92, for average salaries.

³Ibid., Appendix B, p. 85. The Report states that; "The pressures for such growth in government have been many and have differed in their intensity from province to province. It has been the result of new programmes being introduced, increasing population, improvements in quality, and expansion of existing services. Variations have resulted from the geographic dispersal of the population, the need for bilingual services and general transportation and communication conditions. Nevertheless, the size of the unit has had a distinct bearing upon the nature and economics of the organization developed to provide services." This general explanation offers little in the way of reasons for the greater increase in the Maritime civil service particularly, but there may perhaps be an implicit reference to the lack of economies of scale in the Maritimes because of their small size.

⁴Maritime Union Study, Public Briefs, Submission by the Atlantic Provinces Economic Council, pp. 34-35.

⁵S. Sinclair, "What's this Talk of Maritime Union?" Canadian Business, Vol. 38, August, 1965, p. 71.

⁶John F. Graham, "An Economist Looks at Maritime Union," in The Idea of Maritime Union, The Report of a Conference Sponsored Jointly by The Canadian Institute on Public Affairs and Mount Allison University, February, 1965, p. 13.

⁷Ibid., Graham's Table 2, page 14, shows that Prince Edward Island's per capita income is 83% of Nova Scotia's and New Brunswick's is 89% of Nova Scotia.

⁸Ibid., p. 14.

⁹Nelson Mann, "Union Within the Atlantic Region," in The Idea of Maritime Union, Appendix 1, p. 39.

¹⁰Ibid., Appendix 1, p. 39.

¹¹S. Sinclair, op. cit., p. 71.

¹²S. Sinclair, op. cit., p. 72.

¹³Atlantic Provinces Economic Council Research Centre, Industrial Development Policies in the Maritime Provinces, Maritime Union Study (Fredericton: 1970), p. 14.

¹⁴This competitive bidding and the often harmful effects are a recognized phenomenon in the Maritimes. W. Stewart, "Can Union Save the Maritimes?" Maclean's, Vol. 82, No. 8, August 1969, pp. 20-26, does document some specific instances. He states "Firms coming into the Maritimes are located by the tug of local politics and the size of the bribes each province can offer When Bathurst Marine Ltd. couldn't get the favours it wanted from New Brunswick, it decamped to PEI, where it obtained generous concessions, then failed, leaving the province heavily in debt. When Clairtone Sound Corporation decided to set up on the east coast, company officers ran simultaneous bargaining sessions with New Brunswick and Nova Scotia, until New Brunswick Premier Louis Robichaud found out what was going on and broke off negotiations. Clairtone set up in Nova Scotia with massive government support, but little success. Eventually, the province took over administration of the firm, which last year lost nine million dollars." p. 26.

¹⁵Donald Hoyt, "United Front Soon in Maritimes?" Financial Post, February 6, 1965, p. 12.

¹⁶Thomas Wilson and W.Y. Smith, Maritime Union and Economic Planning, Maritime Union Study (Fredericton: 1970), p. 16.

¹⁷S. Sinclair, op. cit., p. 76.

¹⁸Thomas Wilson and W.Y. Smith, op. cit., p. 26.

¹⁹W. Stewart, op. cit., p. 23.

²⁰For complete explanations of how redistribution occurs after each decennial census, one can refer to section 51 of the British North America Act and to Norman War, The Canadian House of Commons: Representation, revised ed. (Toronto: University of Toronto Press, 1963).

²¹British North America Act (1915) Section 51 A.

²²Hugh Thorburn, "A Political Scientist Looks at Maritime Union," in The Idea of Maritime Union, p. 1.

²³W. Stewart, op. cit., p. 25.

²⁴Atlantic Advocate, Vol. 55, November, 1964, Editorial, p. 14.

²⁵The Report on Maritime Union, Foreward, p. 2.

²⁶It is not possible to summarize the contents of all the briefs, however a few may be dealt with. Of the four briefs which came out against union, two represented the Acadian French viewpoint. Both the College de Bathurst and M. Bouchard argued that Maritime Union would be detrimental to the survival of the French culture. Essentially Mr. Coates points out that the very real problems involved in political union have been glossed over or ignored while Mr. Doyle feels that the costs of union such as the distraction of government energy and the neglect of important programmes, are too high vis a vis the benefits to be derived. The City of Moncton, which supported union wholeheartedly, feels that obviously a new capital would have to be chosen and implies that Moncton, as the geographic centre of the region, would be a logical choice. The Atlantic Division of the Canadian Manufacturers Association supports union since it would result in uniformity in such things as provincial sales tax and transportation regulations as well as eliminate the wasteful competition in industrial development.

²⁷Maritime Union Study, Public Briefs, Submission by the Atlantic Provinces Economic Council, p. 44.

²⁸Report of the Maritime Union Study, p. 10 and p. 21.

²⁹Ibid., p. 24.

³⁰Ibid., p. 26.

³¹Ibid., p. 30.

³²Ibid., pp. 30-31.

³³Ibid., p. 34.

³⁴Ibid., p. 39.

³⁵Ibid., p. 40.

³⁶Ibid., p. 42.

³⁷Ibid., p. 46.

³⁸Ibid., p. 50.

³⁹Ibid., p. 51.

⁴⁰Ibid., p. 52.

⁴¹Ibid., p. 56.

⁴²Ibid., p. 59.

⁴³Ibid., p. 59.

⁴⁴Ibid., p. 62.

⁴⁵Ibid., p. 63.

⁴⁶Ibid., p. 69.

⁴⁷Ibid., p. 80.

⁴⁸Ibid., p. 67.

⁴⁹Ibid., p. 65.

Chapter 5: The Political and Social Context

It has been demonstrated in the preceding chapters that the major premises of the present pro-union arguments are essentially economic in orientation and that the Maritime Union Study Report proved no exception in this respect. The Report ignored, with one or two exceptions all but the economic factors in its examination and evaluation of the Union issue. One can only speculate that the authors of the Report underplayed the social or political factors involved because they felt the economic considerations were so important as to outweigh all other considerations. This study now poses a vital question. Are there other factors which impinge upon the proposal for full political union, which have been understated or neglected altogether in the union considerations to date? Is it possible that there are social and political factors which mitigate the seeming desirability of union; factors which may present serious barriers to union? It may be that there are social and political aspects of union which must be weighed against or at least reconciled with the functional or economic aspects.

Several important variables which merit consideration but, which have received inadequate consideration, pose serious problems for a full political union of the three Maritime provinces. The first factor to be examined may

be referred to as the "Acadian fact"; the existence in the Maritimes, most particularly in New Brunswick, of a substantial French-speaking population largely of Acadian descent. One cannot fail to consider the "Acadian fact" a problem with several facets which must be reconciled by those who advocate a Maritime political union. It is argued here that this problem is centered on the French-speaking population of New Brunswick for the simple reason that the greatest concentration of Acadian and French-speaking people in the Maritimes are found in this province.

As was indicated in Chapter 1, those of French-origin comprise 38.8 per cent of the New Brunswick population, 16.7 per cent of the Prince Edward Island population, and 11.9 per cent of the Nova Scotia population. A further point of importance is that in New Brunswick there is a very small proportion of the population (6 per cent) of an ethnic origin other than French or Anglo-Saxon. The fact that the New Brunswick population splits roughly 55 per cent Anglo-Saxon - 39 per cent French has far-reaching social and political consequences. An equally important consideration is that it is the approximately 230,000 Acadians of New Brunswick who have most successfully resisted assimilation as Table 5.1 demonstrates.

Retention of language is the most visible indicator of the resistance to assimilation and the success, in this

TABLE 5.1

POPULATION OF NEW BRUNSWICK, NOVA SCOTIA, AND
PRINCE EDWARD ISLAND, OF FRENCH ORIGIN AND RETAINING
FRENCH AS MOTHER TONGUE

Province	Total Population	French Origin	Mother Tongue French	% Retaining French as Mother Tongue
N.B.	597,936	232,127	210,530	90.70
N.S.	737,007	87,883	39,568	45.02
P.E.I.	104,629	17,418	7,958	45.69

Source: Dominion Bureau of Statistics, Census of Canada, 1961.

regard, of the New Brunswick Acadians is far greater than that experienced by their compatriots in the other two provinces.

The French settled Acadia before Quebec but it was not long before the focus of French settlement, exploration, and trade shifted to the St. Lawrence river valley. The Acadian settlements were more open to attack both from across the Atlantic and from the English colonies on the eastern seaboard. The fate of the Acadians was "to be the most frequently captured pawns in the great imperial struggle of France and England for control of North America."¹ In 1755 the French population of conquered Acadia were scattered to the four winds by the decision of the English to

deport them. The Acadian community for all intents and purposes was destroyed. They were deported to Britain, France, and some to the American colonies. Others fled to hide in the forests or to seek refuge in Prince Edward Island and Cape Breton, there only to be dispersed again in 1758. But the Acadians during century in which they had flourished in the Maritimes had developed deep roots and a strong attachment to their land. So much so that

as soon as the British authorities showed a disposition to tolerate their return to their original homeland, from 1764 onward, the Acadians displayed an incredible homing instinct, making their way by canoe and small boat along the coast and overland on foot through the forests to their old homes.²

Because their original homelands in present day Nova Scotia had been settled by British immigrants, the Acadians moved into the unsettled New Brunswick territory. Later in the 1780's, as the waves of Loyalists flowed into the Lower St. John River valley and Fundy areas, the Acadians were slowly driven to settle in the North Shore-Baie de Chaleur and Upper St. John districts. Here they settled in small rural communities and lived in nearly complete isolation, both from the French in Quebec and the English majority which remotely dominated them. During the century after the expulsion the Acadians in New Brunswick "played virtually no part in the life of the community."³ It is an important fact that as Catholics they were excluded from

politics due to the required oath of non-belief in transubstantiation. The Acadians wished to remain apart from the English who had ordered their dispersal and moreover "the English desired to keep them out of political and economic life."⁴

Yet it was by means of this isolation that the Acadian community and culture did survive and develop following the "grant d'érangement" and their subsequent return. The isolation of the Acadians and their need to resist vigorously, absorption by the English-speaking majority about them was conducive to concentration upon their common heritage and the development of sustaining cultural myths. These myths centre on the expulsion, their martyrdom, their survival, and devotion to the Catholic Church as comforter and protector. Certainly a most important variable in the development of group consciousness has been the Acadian "victory of the cradle." In 1871 the population of New Brunswick by ethnic origin showed 79.2 per cent to be of British origin and only 15.7 per cent of French origin. Ninety years later the situation is incredibly changed as the 1961 figures previously presented indicate. During the two centuries since the expulsion the Acadian people have

gradually developed a new national consciousness as a separate people, expressed in the formation of an educational system of their own, a press of their own, a national society, a national flag, and anthem.⁵

Only a long and persistent struggle has brought them to their present position.

For over a century the Acadians did little more than exist, survive, and grow numerically. In 1881 Acadian leaders convened a gathering at Memramcook, largely inspired by the invitation from Quebec to send Acadian representatives to the annual convention of La Société Saint-Jean-Baptiste. The Memramcook meeting established an Acadian organization, the Société Nationale l'Assomption, which may be viewed as the first organized expression of the Acadian culture and heritage.

. . . that natural group which had been existing for a century without any organization, without any moral unity, became conscious of its collective existence and began to express its desires and determination to live and survive as a group.⁶

The first time that the Acadians vigorously pursued their rights, the struggle was set within the Catholic church, not in the economic or political world.⁷ The cause was the desire and the right of the Acadian population to have French-speaking clerics, both at the higher levels within the church hierarchy and at the level of the parish. The Acadians always comprised a majority of the Catholic population of New Brunswick but the Irish occupied a monopoly position in the Church hierarchy, to the point where English-speaking priests were attached to French-speaking parishes. The campaign to gain an equitable share of positions in the

hierarchy for French-speaking clergy is important in that "it marks the beginning of the organized defence of Acadian interests."⁸ From the 1850's onward the struggle continued and it was not until 1910 that an Acadian priest, Father E.A. LeBlanc, was named Bishop of Saint John. By 1944 there were four dioceses in New Brunswick, three of which were under Acadian Bishops, and Acadian influence in the Church had replaced the Irish monopoly.

During the same period, the second half of the nineteenth century, the Acadians began to press their cause on a second front; the area of education. The Acadian people and particularly their leaders

see the close association of language, religion, and education as the foundation of the Acadian culture or myth, and as the basis of the whole Acadian movement.⁹

Obviously the provision of education for Acadians that was both French and Catholic was necessary in the development of an indigenous leadership and the active resistance of assimilation. The struggle to achieve Acadian goals in education has been a long and slow one, but there has been success. In 1936 the Association Acadienne d'Education was established to fight for French goals in the education sphere. Its motto is "Dieu et langue à l'école", indicating the aims of this society. There is no doubt that the Association Acadienne d'Education is an effective pressure group which has consistently pressed Acadian claims upon the

New Brunswick government. The teaching of religion in schools in New Brunswick is still a contentious issue, although teaching in French has been fully accepted. Technically the primary and secondary public schools of New Brunswick were non-sectarian with English as the language of instruction, but practical solutions worked out by the local school board generally created a satisfactory modus vivendi. Problems were most serious in the counties and localities where ethnic origin was mixed or where the majority was shifting from one language and culture to the other. However, in the school districts where the French comprised a substantial population, French was an accepted language of instruction. In 1969 the Provincial Government, under an Acadian Premier, Louis Robichaud, passed legislation declaring New Brunswick an officially bilingual province. Since that time a complete province-wide programme of French-language education from the elementary school level through to University has emerged. Peter Findlay feels that the educational programme under this new legislation should succeed, that the practical problems will resolve themselves as goals are more clearly defined, but that it is, as yet, too soon to "assess its impact on the future of the French origin population in New Brunswick."¹⁰

In the past twenty-five years the Acadians have been

extensively involved in the building of parish regional highschoools. However, it may well be that the most important Acadian achievement in the realm of education has been the setting up of colleges in New Brunswick. "Since instruction is in French and is mostly given by priests, the colleges serve to build up an élite among the Acadians trained in their own traditions and language."¹¹ The first college established was at Caraquet in 1899; Sacré Coeur College, which was later moved to Bathurst. These colleges were gradually transformed from classical colleges whose major function was to prepare young men for the priesthood into true universities offering a wide curriculum for those preparing for law, medicine, engineering, business, and the teaching profession. In 1963, following the recommendations of a provincial Royal Commission, the three French universities of Sacré Coeur, Saint-Joseph, and Saint-Louis, became colleges affiliated with the new Université de Moncton. This new university is regarded as an important step in the advancement of Acadian higher education. The Acadians and the AAE have pressed for a French teacher's college for more than twenty years, and there is now a new teacher's college affiliated with the Université de Moncton. In the realm of education, it may be said that the Acadians in New Brunswick have had success in achieving their goals, if only from the point of view that education

in the French language is a recognized right, which it is not in Nova Scotia and Prince Edward Island.

In politics, as well, the progress of the Acadian people has been "slow but continuous."¹² There has always been at least one representative of the Acadians in the House of Commons since Confederation, except for one brief period from 1872 to 1878. In the provincial legislature representation of the Acadian population shows a steady numerical and percentage increase as Table 5.2 demonstrates. In 1870 four of the forty seats or 10 per cent of the seats were held by French-speaking M.L.A.'s. In 1890, in an increased House, five or 12.1 per cent of the seats were held by French-speaking M.L.A.'s. In 1908 out of the forty-six seats, eight or 17.4 per cent were held by French representatives. In the increased House of forty-eight in 1935, ten or 20.8 per cent of the seats were represented by French M.L.A.'s. In 1963, in a legislature of fifty-two seats, fourteen or 26.9 per cent of the seats were held by French representatives. In 1967 fifteen of the fifty-eight seats were held by Acadians. Although the increase has been steady, the figures do seem somewhat low, both absolutely and percentage-wise. Although 25.9 per cent is a substantial representation it is not a proportionate representation of 38.8 per cent of the population. However, there is some indication that the predominantly English counties have

TABLE 5.2

FRENCH-SPEAKING REPRESENTATIVES IN THE
NEW BRUNSWICK LEGISLATURE

Election Year	Number of French- speaking M.L.A.'s	Total Number of Seats	Highest % for each size legislature
1870	4	40	10
1874	3	41	
1878	3	41	
1882	4	41	
1886	3	41	
1890	5	41	12.1
1892	4	41	
1895	7	46	
1899	8	46	
1903	6	46	
1908	8	46	17.4
1912	8	48	
1917	10	48	
1920	7	48	
1925	10	48	
1930	10	48	
1935	10	48	20.8
1939	9	48	
1944	9	48	
1948	13	52	
1952	13	52	
1956	13	52	
1960	14	52	
1963	14	52	26.9
1967	15	58	25.9

Source: Hugh G. Thorburn, Politics in New Brunswick (Toronto: University of Toronto Press, 1961), p. 201. Figures for 1960, 1963, and 1967 were added and were drawn from the Canadian Parliamentary Guide.

been over-represented in the legislature.¹³ This numerical and percentage growth in Acadian legislative representation must undoubtedly bear strong relation to the Acadian proportionate growth in population. Gross figures illustrating Acadian population growth have already been presented, whereas Table 5.3 below, gives a rather salient breakdown of this increase. From Table 5.3 it is clear that the increase in the Acadian population has not been confined to any concentrated area, but in fact proportionate increases occurred in every county. The French now comprise majorities in the four counties of Madawaska, Gloucester, Kent and Restigouche; and substantial minorities in the three counties of Westmorland, Victoria, and Northumberland. Since the counties, plus the two cities of Saint John and Moncton, comprise the seventeen multi-member constituencies of the province, one can without difficulty posit a relationship between the proportionate increase in population and proportionate increase in legislative representation.

Perhaps the height of Acadian political achievement was the choosing of Louis J. Robichaud as leader of the provincial Liberal Party in 1958 and his subsequent election as the first Acadian Premier of the province in 1960. As was previously noted, it was under Robichaud's administration that New Brunswick was officially declared a bilingual province.

There are many tangible indicators that the Acadian

TABLE 5.3

PERCENTAGE OF PERSONS OF FRENCH ORIGIN IN THE
COUNTIES OF NEW BRUNSWICK, 1901 AND 1961

County	1901	1961	% Difference
Albert	1	3	2
Carleton	1	4	3
Charlotte	1	6	5
Gloucester	81	85	4
Kent	67	82	15
Kings	1	4	3
Northumberland	19	31	12
Restigouche	44	68	24
Saint John	1	14	13
Sunbury and Queens	2	14	12
Victoria and Madawaska	63	77	14
Westmorland	37	44	7
York	2	6	4

Source: Hugh G. Thorburn, Politics in New Brunswick (Toronto: University of Toronto Press, 1961), p. 195, and Census of Canada, 1961. Per cent differences were calculated independently. Sunbury and Queens, Victoria and Madawaska, are linked since these counties appear linked in the 1901 census. In 1961 Sunbury was 17% French origin, Queens was 9%, Victoria was 42% and Madawaska was 94% French origin.

people preserve an awareness and a consciousness of themselves as a distinct and a separate group, as a cultural nation. There is the Acadian national society, the Société Nationale l'Assomption and a national day of celebration:

the day of the Assumption. Furthermore the Acadians have a national flag, the French tricolour with the papal star, and a national anthem, the Ave Maria Stella. It is interesting to note that these symbols of Acadian unity, the flag, the anthem, and day of celebration, all differ from corresponding Quebec symbols. There are also French-language newspapers, the most important of which is L'Evangeline, established in 1887. French-language radio stations also exist and there is a French-language television station in Moncton. The universities have already been mentioned as well as the A.A.E.; the education organization. In addition there is a mutual insurance and benevolent society; the Societé Mutuelle l'Assomption, as well as a host of credit unions and co-operatives and an Acadian civil service union; l'Association des Instituteurs Acadiens. The Societé Nationale des Acadiens is essentially a federation of all the other societies and institutions which has a permanent headquarters in Moncton and a full-time secretariat.

The preceding discussion was presented to illustrate two major points. In the first instance, over a period of two centuries the Acadians of New Brunswick have developed and preserved a consciousness of themselves as a distinct cultural group. They have numerous voluntary associations and pressure groups which are vehicles for their culture.

Moreover, the Acadians have myths, symbols, and media which work to sustain their culture. The second point is that any progress and achievement on the part of the Acadian people is closely related to the fact that their numbers have increased and are increasing. The successful struggle within the church, the slow progress in achieving educational goals, the slow growth in political representation, have largely been the result of the Acadian's numerical position in a particular constituency, i.e. in the religious constituency or within particular counties of the province.

Following a century of near total isolation, the French population of New Brunswick have, since the mid-nineteenth century, begun to participate more fully in the modern life of their province. It is more and more the case that Acadians are able to achieve higher education and technical training in their own language, and are leaving the rural, primary industries to enter the modern industrial milieu. Generally relations between French and English have been harmonious, if at a distance, and rather an excellent example of peaceful accommodation and co-existence. The Acadians

. . . are happy to see their representation growing in the legislature, the civil service, and elsewhere, but they are patient and cautious. Time, they feel, is on their side, as their population is growing - why provoke a conflict when they are coming into their own anyway, albeit somewhat slowly?¹⁴

Given the rate of increase, it is quite likely that within the lifetime of the present generation, the Acadians will make up a majority of the population of the province. This factor should be a significant consideration for those proposing a Maritime union, if only from the point of view that the wishes of this important and growing minority be taken into account.

What are the implications of Maritime Union, as recommended by the Deutsch Report, for Francophones in the Maritime Provinces and most particularly the Acadians of New Brunswick? Obviously the minimum requirement under union, for the French, would be basic recognition and guarantees of French language and educational rights in the new constitution. The Acadians would have to be assured that their cultural aspirations would be respected and protected in the new province; entailing at the very least the declaration of French as an official language in the legislature, the courts, and the administration. This minimum requirement the Deutsch Report recognizes and considers to be sufficient. Yet even the minimum requirement could become a thorny issue in the working out of the constitutional details of the new province. Whereas New Brunswick is officially bilingual, the other provinces are not. In Nova Scotia, an education in the French language is not a recognized right, nor is it in Prince Edward Island.¹⁵

In the most recent agreements regarding language rights, between the federal government and the ten provinces, New Brunswick differs substantially from the other two Maritime provinces. At the Victoria Conference held in the autumn of 1971, New Brunswick agreed to articles making French and English official languages in the legislature, statutes, the courts, and in dealings with the bureaucracy. However, Nova Scotia recognizes French as an official language in the legislature only, and Prince Edward Island recognizes French as an official language only in the legislature and in dealing with the bureaucracy. Since these latest agreements were reached nearly one year after the Deutsch Report became public, it may not be untoward to assume that Nova Scotia's reluctance to legislate official bilingualism could present some difficulties in working out this aspect of the union.

Should Union threaten standards presently existing in New Brunswick, . . . it will inevitably be opposed by those of French origin in New Brunswick since it will involve no gain and threaten some loss to their language and culture.¹⁶

It is argued here that the Acadian presence in New Brunswick presents far more complex problems for Maritime Union than merely the guarantee of certain linguistic and cultural rights. Acadian cultural consciousness and sense of unity is more highly developed in New Brunswick and their political and economic muscle has only been flexed.

New Brunswick Acadians face, in Union, a loss in political influence based upon numerical strength which has been vitally important to them in the past. In a single province and a reconstituted legislative assembly they could not hope to have as proportionately strong representation and influence. In a new united Maritimes the French-origin population would comprise approximately 23 per cent of the total population as compared to the much stronger position which the New Brunswick French now maintain. It seems unlikely that New Brunswick Acadians would be willing to relinquish the political influence and power they now exert by virtue of the balance of numerical strength. Is there any means by which such political influence can be protected and preserved?

In a special report prepared for the Maritime Union Study, Peter C. Findlay considers the options open to the Maritime Francophone population in order to reduce the possibility of domination and assimilation in Union.¹⁷ Findlay concludes that there are three main options; the first is to oppose Union altogether, the second is to attempt to achieve real political power in the new province, and the third is to effect a comprehensive programme of legal rights and guarantees. Findlay decides that the third option "combined with reliance on those of French origin to ensure that their voices are heard through the

political process," is the only viable solution and the remainder of his study is concerned with drawing up and implementing a system of legal guarantees.¹⁸ However his second option is worthy of consideration. By what means could real political influence for the French be achieved and protected? Conceivably some system of proportional representation could be included in the new constitution which could ensure the continuing ability of the Acadian population to influence policies. Obviously there is some philosophic difficulty involved in guaranteeing one particular group a constant representation in the legislative assembly. But there would also be real practical problems. According to Findlay, there are two methods by which proportional representation could be implemented; either by guaranteeing a certain number of seats in the legislature to M.L.A.'s of French origin or by drawing the electoral maps so as to ensure that the Acadians were a numerical majority in a specific number of constituencies. However there can be no assurance that representation would remain proportional since in the future boundaries could be altered, seats could be redistributed, and there is always the possibility of population shifts. "It seems unlikely that realistic guarantees at the legislative level could be implemented or maintained."¹⁹ The point which Findlay neglects is that even if proportional representation could

be guaranteed, the influence which the Acadians exerted would be a minority influence not in the least comparable to what the New Brunswick Acadians can exert in their present situation.

Conceivably the predominantly French counties, Madawaska (94 per cent), Gloucester (85 per cent), Kent (82 per cent), Restigouche (68 per cent), Westmorland (44 per cent), and Victoria (42 per cent) could be allowed to seek their own destiny in the event of a union. These counties could perhaps remain separate altogether or become a separate province of the new united one. It seems highly ludicrous to envision a separate French province comprised of only these six counties; more ludicrous still to imagine a federated province within a federal nation. Even if it were a feasible solution in the constitutional sense, there would be a practical difficulty since the county of Northumberland (31 per cent French origin) would geographically separate the two counties of Kent and Westmorland from the other four.

There is the possibility that the French counties, which are geographically proximate to Quebec, could choose to seek out their cultural destiny with their fellow French-speaking Canadians. This solution has in fact been suggested on occasion.

Les frontières du Nouveau-Brunswick seront changées.
Les 200,000 Acadiens francophones du nord et de l'est

du Nouveau-Brunswick auront à choisir entre, d'une part, faire partie de la nouvelle province atlantique et retrouver 100,000 frères acadiens de la Nouvelle-Ecosse et de l'Ile-du-Prince-Edouard, risquant de s'angliciser comme eux avec le temps. D'autre part, ils peuvent choisir que leur territoire devienne la onzième région du Québec, retrouvant 500,000 frères acadiens qui parlent tous français. Cette deuxième solution nous assure de demeurer français à l'intérieur comme à l'extérieur de la Confédération.²⁰

However it is argued here that such a possibility is somewhat unlikely. It has already been demonstrated that the Acadian people perceive themselves to be different from the Quebecois. The Acadians in the nineteenth century chose their own symbols: a national celebration day, a flag, and an anthem, all different from those of the Quebec French. Historically the Acadians were as isolated from their French neighbours in Quebec as they were from the English in the Maritimes. It is questionable whether the Acadians could be successful in pursuing their own particular cultural aims within Quebec. To some extent even the language differs somewhat in colloquial usage. On the other hand, it is questionable whether present day New Brunswick or a new united Maritime province would be willing to hand over the extensive territory involved in the North-East counties, to Quebec.

One must conclude that the "Acadian fact" presents a difficult and possibly insurmountable problem to the successful union of the three Maritime provinces. At present

the Acadians of New Brunswick have established a comfortable co-existence with their English-speaking counter-parts. As they begin to exercise further their rightful political and economic influence, they have "everything to fear at the ethnic level from the union of the Maritimes."²¹ To date, there has been relatively little in the way of reaction from the Acadian population towards the Deutsch Report and the proposed union. The opinion has been expressed that the Acadians have not been adequately consulted on the issue of Maritime union.²²

There were only four briefs submitted to the Maritime Union Study that represented the Acadian point of view. Of these four, the submission from the College de Bathurst was the most strongly opposed to union; their argument being that the French of New Brunswick have nothing to gain and much to lose, in the ethnic sense, from such a union. La Societé Nationale des Acadiens commends the idea of studying the union issue and asks the Study not to "sacrifice to economic imperatives the bi-ethnic and bi-cultural reality of the region."²³ The other two briefs generally support this viewpoint: that the French of the Maritimes are willing to engage in a dialogue but feel that they have certain interests which must be protected.

When the Deutsch Report became public, there was again very little in the way of public reaction on the part

of the Acadian population and its spokesmen. From the major Acadian newspaper, L'Evangeline, came only two real editorial commentaries on the proposed union. The initial editorial was published immediately after the Report was made public and apparently before the editors had had time to study the document. Thus it contains little in the way of actual reaction.

Nous n'avons pas encore eu le loisir d'étudier ce rapport à tête reposée. A première vue, il nous apparaît très sobre, sérieux et objectif. Faisant abstraction de tous les préjugés, de toutes les idées préconçues, et presque de tous les sentiments, le document revêt un peu le caractère d'une thèse de doctorat en économie. L'on y reconnaît assez facilement l'érudition, la lucidité et le sens pratique de son auteur, le célèbre économiste docteur John Deutsch, . . .

Le rapport souligne, il est vrai, l'importance d'encourager le développement de la langue et de la culture françaises dans la nouvelle juridiction. Toutefois, il ne fait aucune recommandations spécifique dans ce sens et alisse aux "structures" le soin d'en déterminer les modalités. Il devient extrêmement important pour nous d'obtenir une représentation adéquate, surtout au niveau de la nouvelle Commission des Maritimes qui doit être créée. C'est maintenant le temps de faire des démarches avant qu'il ne soit trop tard.²⁴

However L'Evangeline obviously does perceive the necessity for adequate French representation on the Commission which will be set up, in order to protect French Maritime interests before it is too late. A second editorial several days later contained something more in the way of criticism of the Report.

. . . ce rapport se signale pour le peu d'importance accordée à la langue et à la culture françaises et leur rôle à l'intérieur d'une nouvelle province. Le rapport n'y consacre même pas un paragraphe. On peut lire le passage suivant dans le rapport anglais (il n'y a pas encore de version française.)
. . . Le rapport ajoute cependant qu'il reviendra à la nouvelle commission proposée de prendre ce sujet en considération. Il était très évident, au départ, que cette étude porterait surtout sur les conditions économiques actuelles et les moyens possibles de remédier à ce marasme. Est-ce à dire que les considérations d'ordre linguistique et culturelle sont superflues lorsqu'il est question d'économie?²⁵

Having chided the Report for the lack of attention which it paid to the linguistic and cultural considerations of the union question, and the fact that the Report was not also published in French, the editorial goes on to say that the Acadians are an integral part of the Maritimes and intend to stay, and furthermore they have a right to demand and obtain clear and precise guarantees for their cultural and linguistic future.

Malgré toute l'objectivité du rapport, on peut lui reprocher d'avoir trop minimiser l'importance du fait français aux Maritimes et des complications qui pourraient s'ensuivre dans l'éventualité d'une union politique. La population française des Maritimes représente quelque 300,000. Leur apport économique n'a peut-être pas été remarquable au cours du siècle dernier, mais on ne peut nier que les Acadiens aient joué un rôle important même dans l'économie des Maritimes depuis 25 ans
Ce qui importe avant tout, c'est que les Acadiens sachent discuter ce rapport et dialoguer avec sang-froid, sans tomber dans l'émotivité. Il faut que tout le monde accepte le principe que les Acadiens sont aux Maritimes pour y demeurer, qu'ils veulent participer à l'avancement économique de leur territoire, mais qu'ils ont droit d'exiger et d'obtenir des garanties claires et précises sur leur avenir culturel et linguistique.²⁶

It is difficult indeed to interpret Acadian reaction to the proposed union and the Deutsch Report itself. It may be the case that the Acadian leaders are content, at present, to bide their time and await concrete action on the Report. However, there can be no doubt from the L'Evangeline editorials, that the French do realize they have their own particular interest to pursue in any dialogue concerning Maritime union. In fact, one could perhaps state that the tone of the second editorial indicates a perception of threat to the French community from the proposed union. Whether the "french fact" actually presents a barrier to the successful conclusion of union agreements remains to be seen; it depends upon whether, and how quickly the French population is mobilized. It may be that it will only be after a union is accomplished that the "French fact" will cause serious difficulties. Nonetheless, this study maintains that the present situation of the French Maritime population, in particular that of New Brunswick, must be considered a serious political and social barrier to the proposed union; a barrier which has not, to date, been given adequate consideration by the proponents of union. Linguistic and cultural rights can be guaranteed, but the nature of the problem is political, and political influence and power based upon numerical strength within the New Brunswick context cannot be legally or constitutionally

guaranteed in the context of union, when the numerical strength no longer exists.

The second factor which must be considered as one which mitigates the viability of full political union is the previous existence of the three political units as social, cultural, political, and economic entities. It was pointed out in Chapter two that by 1784 there were three separate political and administrative entities in existence in the Maritime area. At first it might seem that the major reason for separating Prince Edward Island and New Brunswick from Nova Scotia was the underdeveloped state of overland transport and communications at the time; but it has been shown that there were other, more germane factors impinging upon the separations of 1769 and 1784. The Maritimes fall into clearly defined geographic divisions and colonial settlement patterns followed these divisions. Furthermore there were major differences between the three colonial areas; i.e. the land tenure system in Prince Edward Island and the Loyalist population of New Brunswick. "Societies employ instrumentalities for the expression of diversities in accordance with what men in particular societies think is necessary".²⁷ In this particular instance the original instrumentalities were the political and administrative boundaries drawn between the three provinces and, of course, the setting up of apparatus for independent

governments. Although the difficulties in governing the geographic territory through one administrative unit have since disappeared due to advances in communication technology and transportation, the political instrumentalities have remained. So also have the problems associated with the Loyalists and the land-tenure system of Prince Edward Island disappeared, but the three provinces remain. One explanation of this phenomenon is that the original political and administrative instrumentalities have acquired an inherent value over time for the people of each province.

As W.S. Livingston puts it:

. . . the instrumentalities, once put into operation, become rigid and acquire a status of their own. They become ends in themselves instead of merely means toward other ends. Their procedures become standardized; they may take on an honorific quality; they become matters of pride to the diverse elements that they serve; and ultimately the instrumentalities enter into and become part of that (psycho-sociological) complex which determine the nature of the instrumentalities.²⁸

The people of each province have acquired, over time, positive emotional attachments to their respective province and to the instrumentalities which express the individuality of that province. The complex of government, and administration, and provincial sovereignty which accrues to that complex has acquired an inherent value in itself for the polity. As an example of this process Livingston discusses the situation of North and South Dakota. It is likely that a separation into two states at the time of their entry into

the union was not at all warranted for these states. However, having been treated as individual states for an extended period of time, having developed a consciousness of individuality over time, there can be no doubt that the two States would be unwilling to give up that individuality and the instrumentalities which reflect and express it. The same may be true for the three provinces of the Maritime area which have operated as individual political entities for nearly two centuries. The political boundaries which were drawn have been enhanced with psycho-sociological value until they are now an important element in the pattern of diversities within the region.

There is a further dimension to this notion of boundaries which it would be fruitful to discuss. The establishing of political boundaries as instrumentalities has encouraged over time the converging of economic, social, and cultural boundaries coincident with the political boundaries. Which is to say that within the political units a process of integration has occurred.

Political integration generally implies a relationship of community among people within the same political entity. That is, they are held together by mutual ties of one kind or another which give the group a feeling of identity and self-awareness.²⁹

Within the boundaries of each province there has developed through shared experiences, increased interactions between persons and groups, shared interests and expectations and a

shared system of power and decision-making, an integrated political and social community. In fact, given the different settlement patterns of Nova Scotia and New Brunswick there were already social boundaries coincident with the political boundaries drawn in the partition of 1784 thus forming an early basis for integration. The concept of union explicitly entails the tampering with rooted, historic boundaries which encompass politically and socially integrated communities. How easily will these established communities be wiped out and replaced by a new, artificially created community? It is argued here that this problem is more serious than merely being an area where narrow attitudes may prevail, as the Deutsch Report concluded. This barrier to union has been under-estimated. For example the economists of APEC, in pressing the economic advantages of union, concluded that the people of the Maritimes will accept the new rational approach; although there might be some emotional distaste for union due to intuitive loyalties to individual provinces.³⁰ Such a conclusion is rather implausible since people generally do not perceive the rationality of economists and planners in quite the same light. Can economic rationality alone justify the substantial reorientation of historic identities and communities? Sixty years ago The Toronto Globe dispatched one of its staff members, S.T. Wood to the Maritimes to do a series of

articles on Maritime Union, since that worthy paper had perceived a movement towards union to be afoot at that time. Wood disappointed his editors.

While it is always easy to talk about and see the possibility of advantageous changes, we must not forget that Provinces are born and not made. That familiar entity, the Maritime Provinces is entirely a western creation and has no existence down by the sea. One meets plenty of Nova Scotians, New Brunswickers, and Islanders, and may meet some who make no claim beyond Antigonish or the Annapolis Valley. But no one ever claims to be a man of the Maritime Province. The effect of tradition, experience, and usage is too serious for such an inclusive attitude. Political institutions pass through a state of fusion in which they may be formed and moulded by trifling and accidental influences. But after they have solidified and their slow accretions have set and hardened they may slowly yield to the great transformations of life, but cannot be fitted to new and artificial decisions.³¹

In 1911, Wood clearly perceived that the three entities of the Maritime region had "solidified" and that union, "an artificial decision" was not feasible. To what extent is this true today? The plan which the Deutsch Report recommends is essentially an artificial community to be overlaid upon three real, integrated communities. The problems involved in such a situation must constitute serious barriers to full political union. The political boundaries and the communities which they contain will not be easily disturbed. The previous existence of three politically integrated communities cannot be dismissed as being so intangible as to be unimportant and a mere matter of the prevalence of narrow

attitudes. To make an analogy; if economy and efficiency were the only consideration Canada might very well and without undue stress join the United States tomorrow.

There are certain specific aspects of integration which presents problems for union, as well. For example there are possible electoral difficulties in the proposed union of the three provinces. The electoral basis of the three provinces differ, in that Nova Scotia and Prince Edward Island have single-member constituencies whereas New Brunswick has a system of multi-member constituencies. At first thought it would not appear to be such a difficult thing to redraw the New Brunswick electoral boundaries, creating single-member constituencies. However, when one considers the present over-representation of the English counties, and the conceivable sensitivity of the Acadian population to any tampering with electoral boundaries which at present assure them some representation; the redrawing of electoral boundaries could become a rather delicate political issue, assuming that representation by population would be the guiding principle.

A second aspect of integration which presents a separate problem for the proposed union is the difficulties which could be encountered in integrating the three party systems of the three provinces. Again, on first thought there would appear to be little difficulty in integrating

the three party systems, since there are several similarities between them. In all three provinces there has been an historical tendency for the Liberal Party to dominate provincial administrations.³² Yet domination by one party, or even by the Liberal Party is not a phenomenon peculiar to the Maritime Provinces alone. It is generally agreed that very little in the way of philosophic outlook differentiates the two entrenched, old-line parties in the three provinces.³³ But again this is not a characteristic of the Liberal and Conservative parties peculiar to the Maritimes. It is also documented that the parties in all three provinces are generally dominated by influential individuals and particular powerful groups or cliques.³⁴ It is this factor of power groupings or cliques which presents a potential difficulty in the integration of the party systems. Granted the basis of political culture in the three provinces may be sufficiently similar, in that it is Canadian and exhibits Canadian party politics. But will three power structures and entrenched organizations of three Liberal parties or three Progressive Conservative parties allow successful party integration? It might well be the case that party power groupings or influential party individuals will clash and struggle for dominance in the attempt to integrate party systems in the new province. It could even be argued that party influentials will perceive possible power loss and

mobilize support against the proposed union. The difficulties entailed in integrating three entrenched party systems should be viewed as a political problem and a possible barrier to union.

There is a final possible barrier to a political union of the three Maritime provinces which merits discussion. In Chapter four the point was raised that in the event of union, the question of Senate and House of Commons representation and the constitutional difficulties involved might well become an issue. As was indicated previously the Maritime provinces would possibly lose seats in the Senate, and therefore have reduced representation in the House of Commons. Thus in this particular instance the Maritimes might do well to retain the status quo. But this question of representation may be considered a significant political problem in another sense. If the question of Maritime representation is raised as a constitutional issue, it will likely have political repercussions beyond the context of the three provinces themselves. Should the issue be raised it will immediately involve all the other provinces and would undoubtedly raise some rather lively debate. In the first instance, will the other provinces, particularly Ontario, British Columbia, and Alberta be content to allow the Maritimes to retain their present Senate (and thus protected House of Commons) representation? If there are to be changes

in the representation of the three Maritime provinces, will there be changes also for the other provinces? It is quite possible that British Columbia will have certain demands to make, since in the past that province's government has suggested that the province should be made a separate Senate division with twenty-four seats, rather than its present six as a part of the Western division of the Senate. Quite possibly, if this were the case, Alberta with its rapidly increasing population, would also show some interest in the issue. It would seem likely that Quebec would view any general reconsideration of Senate representation with less than enthusiasm. Since that province has already dropped in its House of Commons representation because its population is not growing at the same rapid rate as Ontario or British Columbia, it will certainly not tolerate any tampering with sections 22 and 51 A of the BNA Act, which would adversely affect Quebec's federal representation. The point to be taken is that implementing Maritime Union could easily introduce a political and constitutional issue of national interest and significance. The necessary decisions could not be made by the three provinces alone and the possibility exists that they would in the final analysis have a very small say in the eventual amendment decisions. An amendment procedure, if introduced, would involve all the provinces by virtue of the nature of

those particular sections of the BNA Act under consideration. Agreement may be very difficult and rather slow to obtain. The issue could present difficulties in achieving a political union of the three Maritime provinces.

In discussing these several factors which present possible barriers to the proposed Maritime Union, the point must be clearly established that these factors have been inadequately treated, when they are considered at all, by the pro-unionists generally, as well as by the Maritime Union Study Report. This study feels that of the factors discussed, the French factor in New Brunswick presents the more serious problem as regards a possible full political union since it seems a more tangible barrier. This is not to underestimate the other factors discussed, since each of them separately present serious difficulties, and if considered together, they may prove to be insurmountable barriers. Until the Acadian fact, the integrated nature of each of the three provinces, and the electoral and constitutional problems presented above, are recognized and given serious consideration, any recommendations for full political union must be viewed as seriously lacking.

FOOTNOTES

¹Mason Wade, "Two French Canadas: Quebec and Acadia," in C.F. MacRae (ed.), French Canada Today, Report of the Mount Allison Summer Institute (Sackville, N.B.: Mount Allison University Publications, 1961), p. 36.

²Ibid., p. 37.

³Hugh G. Thorburn, Politics in New Brunswick (Toronto: University of Toronto Press, 1961), p. 23.

⁴Ibid., p. 23.

⁵Mason Wade, loc. cit., p. 38.

⁶M. Adelard Savoie, "Varieties of Nationalism, The Acadians: A Dynamic Minority", in C.F. MacRae (ed.), French Canada Today, 1961, p. 31. It is interesting to note that these remarks of Savoie were made in specific reference to the 1881 Memramcook meeting.

⁷This struggle went on for nearly a century before all the final goals of the Acadians were realized. During this period the public discussion, particularly in L'Evangeline and The Saint John Freeman, frequently became quite bitter and blunt. For a full discussion of the struggle within the church, see Hugh G. Thorburn, Politics in New Brunswick, Chapter 2.

⁸Hugh G. Thorburn, op. cit., p. 24.

⁹Ibid., p. 31.

¹⁰Peter C. Findlay, Maritime Union: Implications for French Language and Culture (Fredericton, N.B.: Maritime Union Study, 1970), p. 25.

¹¹Hugh G. Thorburn, op. cit., p. 35.

¹²Ibid., p. 38.

¹³Ibid., p. 84. Thorburn states that "The English-speaking counties are clearly over-represented." On the average an M.L.A. from a "mixed" county represents 11,558 people, from a French-speaking county, 10,621 people, and from an English-speaking county, 7,723.

¹⁴Ibid., p. 68.

¹⁵Peter C. Findlay, op. cit., p. 25. Findlay discusses in detail the differences in provincial policies towards French language and educational rights.

¹⁶Ibid., p. 33.

¹⁷Ibid., pp. 6-7.

¹⁸Ibid., p. 7.

¹⁹Ibid., p. 6.

²⁰L'Evangeline, Moncton, N.B., December 17, 1971, Letter to the Editor from M. Thomas Arsenault.

²¹Maritime Union Study, Public Briefs (Fredericton, N.B.: Maritime Union Study, 1969), Submission by the College de Bathurst, p. 88.

²²Professor C. Grondin, an Acadian and an Assistant Professor of Political Science at the University of New Brunswick, expressed the following opinion in a letter to the author. "A few of my colleagues and I are of the impression that the Acadians were not and have not been adequately consulted about the Maritime Union. Upon discussion with various Francophones of Fredericton they are very much concerned about the Maritime Union simply because they (or we) are going to be a smaller minority and, as such, will have a lesser voice (if this is possible) in the affairs of this new political organization as so far as language and educational rights. As matter of fact, many are quite opposed to it although they see very little chance of being able to stop such a union. Finally, I want to sound a word of caution as so far as the attitude study that was carried out by Market Fact. The methodology and the sampling of that study are very questionable. Indeed, the reliability

and validity of the results are very weak. I have attempted to gain access to the raw data of that attitude study to carry out a secondary analysis. These were and are still not available. I suspect that Market Fact did in fact report what it felt the Premiers wanted to hear and that a secondary analysis may negate many of its findings."

²³Maritime Union Study, Public Briefs (Fredericton, N.B.: Maritime Union Study, 1969), Submission by Societé Nationale des Acadiens, p. 295.

²⁴L'Evangeline, Moncton, N.B., November 30, 1970, Editorial, p. 4.

²⁵L'Evangeline, Moncton, N.B., December 4, 1970, Editorial, p. 4.

²⁶Ibid.

²⁷William S. Livingston, Federalism and Constitutional Change (Oxford: The Clarendon Press, 1956), p. 5.

²⁸Ibid., p. 7.

²⁹Philip E. Jacob and Henry Teune, "The Integrative Process: Guidelines for Analysis of the Basis of Political Community," in Philip E. Jacob and James V. Toscano (eds.), The Integration of Political Communities (Philadelphia: J.B. Lippincott Co., 1964), p. 4.

³⁰Maritime Union Study, Public Briefs (Fredericton, N.B.: Maritime Union Study, 1969), Submission by the Atlantic Provinces Economic Council, p. 29.

³¹The Toronto Globe, January 5, 1911, cited in J. Murray Beck, The History of Maritime Union: A Study in Frustration (Fredericton, N.B.: Maritime Union Study, 1969), p. 39.

³²See J. Murray Beck, The Government of Nova Scotia (Toronto: University of Toronto Press, 1957), p. 158, Hugh G. Thorburn, op. cit., p. 83, and Frank MacKinnon, The Government of Prince Edward Island (Toronto: University of Toronto Press, 1951), p. 249.

³³Hugh G. Thorburn, op. cit., p. 107, and J. Murray Beck, The Government of Nova Scotia, pp. 156-157.

³⁴Frank MacKinnon, op. cit., p. 249 and Hugh G. Thorburn, op. cit., Thorburn in his fourth chapter on political parties documents and isolates the particular power groupings of each party by county.

Chapter 6: Alternatives and Conclusions

This study has sketched the question of Maritime Union as it was presented in 1970 and has examined the arguments put forward both in favour and against a political union of the Canadian Maritime Provinces. The examination of the Deutsch Report, the Report of the Maritime Union Study appointed in 1968, indicates that its recommendations are deficient in that they stem from a less than comprehensive assessment of the factors which impinge upon the union question. It appears that the Committee paid inadequate attention to social and political factors which present real barriers to the achievement of union. The authors of the Report chose, instead, to emphasize the economic benefits which would result from union and argue that union is economically necessary. Although the Report does consider several intermediate solutions, short of full political union, it rejects each of the alternatives and presses union as the only viable solution. If, full political union is not feasible, given the political and social context, an attempt must now be made to reassess the alternatives to full political union.

It is conceded immediately that a need exists for some kind of joint action by the three provinces in order to deal with the serious economic problems facing the region. To deal with these problems in a comprehensive and successful

fashion, something short of union might be effective. The Maritime Provinces have been recognized as a region since the Duncan Commission Report in 1926. The basis of this perception of region is in the recognition of economic difficulties common to the three provinces which differentiate them from the rest of Canada. J.E. Hodgetts points out that

regionalism, with concomitant regional administrative structures, is being advanced as an answer to the new problems of interdependence that cut across traditional political boundary lines, whether they be municipal, provincial, or national.¹

It may be that something less than a full political union may work to ameliorate the region's problems. Given that the problem areas requiring joint action are essentially economic, could not formal economic co-operation prove to be a viable solution rather than political union.

In attempting to assess to what extent economic co-operation already exists within the Maritime region, it is possible to differentiate three separate kinds of economic co-operative effort. One can find many examples within the private sector; businesses, associations, and co-operatives, all activities extending across the political boundaries. One can also discern federal agencies which operate across boundaries and treat the provinces as a region particularly for the purpose of economic development and planning. Finally one can look for inter-provincial

organizations whose specific concern is economic development and planning.

The first type of economic co-operative effort should be more rigidly defined as transactions across political boundaries within the region. Such transactions may not have an aim that is specifically economic, but they are important in that they are one indicator of interdependence in the region; the existence within the purely private sector of regionalism and region-wide activity. The Dalhousie Institute of Public Affairs has found that there are approximately 181 active interprovincial organizations in the four Atlantic Provinces.² Some organizations have a membership from two of the four provinces, some include three, and some include all four. The purposes of these organizations cover a broad spectrum of activities which the Dalhousie Institute has grouped into thirteen categories. They range from agricultural associations to religious co-ordinating bodies to trade and business associations to purely fraternal and service clubs. It is noteworthy that of the total number, eighty-eight of these organizations were founded after 1940, of these, forty-three were founded after 1960.³ It would seem that in the private sector perception of regional interdependence is a relatively recent but nevertheless growing phenomenon. The Atlantic Co-operative Council, a co-ordinating body representing

eight Maritime co-operatives, has stated "business already has found it necessary, desirable, or imperative to co-ordinate efforts across existing provincial boundaries if their particular effort is to have hope of success."⁴

Another example of an interprovincial organization is the Atlantic Fresh Produce Association (1966), previously the Maritime Fruit and Vegetable Jobbers Association, which was established in 1927 as an interest group, whose aims were to promote the consumption of fresh fruit and vegetables and to support legislation conducive to the best interests of this industry. This particular association feels that "the concept of co-operation between the Maritime Provinces is inherent in the objects of this association."⁵ One further example of co-operative effort is the Atlantic Provinces Transportation Commission, established in 1925 as the Maritime Transportation Commission. The Commission is a private organization but supported by the four provincial governments and its activities are generally directed into making representations to the federal government and boards and commissions, on behalf of the region in order to secure the best possible transportation services at the lowest possible cost for the region. The Commission has stated that although union would result in uniform transportation legislation and policies, union was not vital since uniformity "can also be achieved through a continuing

and expanded degree of co-operation between the provinces."⁶ The Commission took no position on the overall question of political union in its submission.

Undoubtedly the existence of interprovincial organizations and their perception of the desirability of co-operative effort has served to lay a firm base of interaction and interdependence. Much of this interaction impinges upon the economic sphere and, in this sense, may be regarded as one manifestation of economic regionalism. Such interdependence should not be regarded as unique since other regions of Canada exhibit regionalism and economic interdependence. In its Second Annual Review, APEC concluded that "Canada is a society of regional differences - in other words, a society of regions."⁷ However, despite a groundwork of co-operative effort, organizations of the private sphere are not generally concerned with specific ways and means necessary to improve and develop the economy of the region. The question is, to what extent is there co-operation in the Maritimes vis a vis economic development and planning, which emanates from the public sphere and which can build upon the base of private and semi-public interdependence?

The federal government, for many of its purposes, approaches the four Atlantic Provinces or the three Maritime Provinces as a single region. One might note that there

are some forty federal administrative units which serve two, three, or all four of the Atlantic Provinces.⁸ However the concern here is with federal agencies operating in the region whose purpose is some aspect of economic development and planning. Although the federal Department of Regional Economic Expansion (DREE), established under the Government Organization Act, 1969, assumed responsibility for the operations of existing federal economic development agencies, it is nonetheless useful to first consider these now defunct agencies.

"In Canada, during the early 1960's, the problem of area and regional development became a matter of national concern."⁹ The federal government produced several programmes or agencies which were specifically concerned with regional or area development problems in Canada, all of which affected the Maritime region. The first of these was ARDA, the Agricultural Rehabilitation and Development Act passed in 1961 and its aim was to accelerate "the process of structural change in agriculture and [to increase] income and employment in rural areas."¹⁰ In 1966 ARDA was changed somewhat and it became the Agricultural and Rural Development Act. At this time the Fund for Rural Economic Development (FRED) was created. This fund made available a maximum of \$50 million to be spent on projects that were part of a comprehensive development programme. The second

ARDA legislation and FRED accentuated the effort to aid rural areas suffering under economic retardation. In 1966 under ARDA and FRED, New Brunswick signed two extensive development agreements with the federal government. One development plan was aimed at the lagging North-eastern area of the province and the other at the Mactaquac region. The most comprehensive agreement signed under the 1966 legislation is the P.E.I. Plan; a detailed development plan for the entire province administered by a Joint Federal-Provincial Advisory Board which extends to March 1984. Development activities under ARDA and FRED were of an area approach rather than a regional approach; but they were important in that comprehensive planning was necessary in order to qualify for funds and because they laid the groundwork for a more regional approach by the federal government.

In 1963 ADA, the Area Development Agency was established. Whereas ARDA was concerned with rural problems, ADA was intended to promote industrial development and to expand employment in the manufacturing sector in stagnating urban areas. Under the original designated areas programme certain areas qualified, because of high unemployment and slow growth rates, for federal assistance including three-year tax exemption periods for new industries locating in the designated areas. The inducements offered were expanded

in 1965 with the Area Development Incentives Act by which a system of capital grants was inaugurated. One of the major criticisms of the 1963 ADA legislation, by the provincial governments and APEC, was that the entire Atlantic region should have been designated an area for assistance, since "it would then be possible to speed up the development of those parts of the provinces which do show hope of viable growth," rather than subsidizing depressed pockets which were likely to remain depressed.¹¹ In 1965, under the new legislation, the whole of the Atlantic region was designated an area for the purpose of industrial development incentives, with the exception of the Saint John, Fredericton, and Halifax-Dartmouth areas.

Perhaps the most promising agency set up by the federal government, in terms of Maritime interests and a truly regional approach, was the Atlantic Development Board established by legislation passed in 1962. The special task of the ADB was to promote the economic growth of the Atlantic Provinces. In 1963 important amendments to the ADB Act were passed; one amendment provided for an Atlantic Development Fund of \$100 million, while the other empowered the Board to prepare a comprehensive, co-ordinated economic development plan for the region in consultation with the Economic Council of Canada. In 1966 the Atlantic Development Fund was increased to \$150 million. Although the Board did

create a planning division and preparations for a regional plan were begun, the co-ordinated, overall plan did not evolve. The fact that the plan never appeared has been attributed to the federal government for establishing the Fund too soon, thereby distracting the Board from its advisory tasks and allowing it to "become involved in the day-to-day administrative problems of receiving and assessing proposals for the disbursement from the Fund."¹² The ADB did become involved in the financing of numerous improvements in the region such as highway and power development. Even in this aspect of the Board's functions there was criticism because the ADB

continues to allocate its Fund at a rate of \$22 million annually for projects whose suitability cannot be assessed qualitatively or quantitatively, because there is no plan or strategy - and consequently no usable criteria by which to judge them.¹³

As these federal agencies experimented and changed through the sixties several threads emerged in the attempts at area or regional economic development. In the first instance there was an obvious need to approach the three Maritime Provinces as a region and the 1965 amendments affecting ADA bear witness to the recognition of this need. Secondly, it was soon realized that some sort of comprehensive development plan for the Maritime region was necessary if development efforts were to be successful. Finally, there was a gradual recognition that co-ordination

of development policies at the federal level was necessary if efforts were to be successful and not working at cross-purposes. "The three federal development agencies: ARDA, ADA, and the ADB all operated in the Atlantic region without any evidence of co-ordination of their activities."¹⁴

The Department for Regional Economic Expansion established in 1969 has opened up new opportunities to approach the problem of regional economic development, particularly in the Maritimes, in a co-ordinated manner. DREE took over the administration of ARDA and subsumed the functions of ADA and the ADB under its terms of reference. In addition to a planning function the Department was empowered by the Regional Development Incentives Act, 1969 to actively assist areas or regions in economic development. Under the new legislation the whole of the Atlantic Provinces, with the exception of Labrador, have been designated a region for the purposes of planning and the provisions of development incentives. In addition, the Government Organization Act provided for the establishment of an Atlantic Development Council whose function is to advise the Minister on plans and programmes, and to co-ordinate plans related to the economic development of the region. The Council is composed of eleven members, appointed by the federal cabinet after consultation with the provincial governments. The Council was appointed in

November 1969 and at its first meeting decided to prepare a development strategy for the region. To date this plan has not been completed, and indeed it is difficult, as yet, to assess the effectiveness of DREE in the twenty-eight months since its inception. Economic development policies need a relatively long gestation period before their effects on an economy can be truly manifest. DREE's importance, so far, lies in the attempt to co-ordinate development efforts and in the fact that the Atlantic Provinces were defined as a region for development purposes, with a special Atlantic Council. Obviously the federal government perceives economic interdependence or economic regionalism in the Maritime (Atlantic) Provinces. Although DREE and its predecessors have had an important impact on attitudes towards economic development they are essentially programmes which are imposed by the federal government upon the region, rather than co-operation freely entered into by the provincial governments on their own initiative. It may be that federal policies and programmes with a regional emphasis may be conducive to interprovincial co-operation but they not indicate to what extent genuine economic co-operation occurs in the region at the governmental level. Regional development is still to a large extent "a matter primarily for the jurisdiction of the provincial governments and not the federal government".¹⁵

Interprovincial co-operation is quite extensive in the Maritimes in many administrative departments and agencies, although "it is still far from all-pervasive."¹⁶ Co-operation varies considerably including at times two, three, or all four of the Atlantic Provinces in varying combinations. This study is concerned only with co-operation as related to economic development and planning and therefore will not deal with any other areas of co-operative effort emanating from the provincial units.¹⁷ There has not been, to date, any formal co-operation between the provinces which is aimed at improving or developing the economy of the region, or attacking the problems which beset the region. However, there are two examples of interprovincial co-operation impinging upon the economic sphere which merit consideration.

The Atlantic Provinces Economic Council was established in 1954, largely on the initiative of the Maritime Provinces Board of Trade, as a non-profit, non-political organization designed to promote and encourage the economic and social development of the whole Atlantic region. Although it is not a governmental body, it has since its inception been intimately concerned with economic development and the public sector. Moreover APEC has always had a close relationship with the executives of the provincial units and in the recent past has received financial support

from all four provinces.¹⁸ In this sense one may say that APEC performs a quasi-public function.

The basis for the establishment of APEC is found in the Blakeney recommendations to the Maritime Provinces Board of Trade in 1951. The essence of Dr. C.H. Blakeney's report is contained in one statement: "We in these provinces must finally realize that we must do less clamouring for (federal) government assistance and more to help ourselves."¹⁹ Recommendations were presented to a joint meeting of the Board of Trade and the four Premiers of the Atlantic Provinces, called especially to propose a commission of inquiry into, or a survey of the region's economic conditions. At this meeting it was decided that the inquiry should not be of a Royal Commission nature and neither should it be financially dependent upon the four provincial governments. The meeting was influenced, it would seem by the New England Council experiment and at several subsequent meetings of the M.P.B.T., representatives of NEC were present to explain the organization and functions of their Council. The Atlantic Provinces Economic Council was the result of these meetings and the articles of incorporation were drawn up and signed. APEC has four stated objectives.

The encouragement of substantial increases in employment and productivity.

The promotion of the most efficient use of the region's total resources - both human and material.

The recommendation of public policies and programs that will stimulate economic and social development.

The encouragement of inter-provincial and federal-provincial co-operation and co-ordination.²⁰

In the first eight or ten years of APEC's activities, greater emphasis was laid upon its research functions. A large fund of statistical information and analyses concerning the region's economy was collected. In addition, the organization published annual reports, a large number of pamphlets, monthly newsletters, and annual reviews of the Atlantic economy. In defining and analysing the economic problems of the region, APEC has always advocated and stressed a regional, co-operative approach to economic development and planning. This is a consistent theme throughout most of APEC's publications. The second major thrust of its recommendations has been the need to select specified growth areas within the entire region in order to avoid spreading industrialization too thinly.²¹ As has been noted APEC has been strongly influenced since its inception by its New England counterpart, and since 1956 there have been frequent NEC-APEC Joint Economic Conferences and liason committees between the two organizations have been set up.

APEC established almost immediately a close working relationship with the governments of the region. Beginning in 1957, APEC has held its annual meetings in conjunction

with the Atlantic Premiers Conference which was itself formalized the previous year. APEC and a Premiers committee co-operated in planning an Atlantic Provinces House in London, England, which was officially opened in 1958. The Premiers are kept in close contact with the Council through a continuing advisory committee to the Premiers Conference, the Secretary of which is the executive manager of APEC. In this way a channel was opened whereby the Premiers have constant access to APEC's analyses, recommendations, and ideas concerning the region's economic development. "Reliance on the Atlantic Provinces Economic Council for the development of the 'features of Atlantic policy' continues to this day."²²

In February 1959, APEC and the four Atlantic Premiers announced in a joint statement the formation of the Atlantic Provinces Research Board; its purpose was to co-ordinate economic research for the Atlantic region. The establishment of the Research Board was in a sense an institutionalization of the APEC advisory committee to the Premiers Conference, and part of a slow institutionalization of economic regionalism at the governmental level. The years following the formation of the Research Board mark a turning point in APEC's priorities. It appears that APEC moved from primarily research activities to an emphasis upon actual recommendation of programmes and policies and to some extent direct

participation in economic development.²³ This was a natural evolutionary process, since initially the need had been for basic information and analysis. Once these requirements were met APEC easily assumed the role of advocate and active participant in the development policy-making process. Having been immersed in research and analysis for a number of years, APEC's personnel had some rather clear ideas concerning the means and methods necessary to develop the region's economy. APEC is well able to assess general policy questions vis a vis the regional economy, at least from the economists viewpoint, and has decided "to step boldly into the field of proposing specific cures for ailments which have been identified" ²⁴

At its 1961 annual meeting APEC outlined a new ten-point programme and determined to formulate objectives and a development plan for the Atlantic Provinces. APEC stressed anew the necessity of a regional approach to economic development, and the importance of the federal government, its policies and activities, in order to eliminate economic lag in the region. In terms of regional development APEC sees itself "as the structure which is in an ideal position to work out the objectives, priorities, and targets for the provinces" ²⁵

The Atlantic Provinces Economic Council has been relatively successful in having implemented many of the

measures which it has long urged upon both the federal and provincial governments.²⁶ For example, APEC was a strong proponent of direct incentives to industry to locate in slow-growth areas and this policy was implemented under ADA, and has been incorporated in the DREE programme. APEC has sponsored trade fairs and trade missions as well as conferences concerned with the need for comprehensive economic development. The Council is very much involved in seeking outlets for new products of the region as well as providing industries, which are considering locating in the region, with a complete economic picture.

The most successful offshoot of APEC's activities is the Maritime Inter-provincial Power Grid or Power Pool. APEC had early established a power committee which included representatives of the power commissions of New Brunswick and Nova Scotia and the privately owned power companies of Prince Edward Island and Nova Scotia. "Prior to the first meeting of that Committee in Halifax, these people had not been in touch with each other, and several did not know each other at all."²⁷ The Committee was soon considering the possibility of interconnection of the power systems and following a technical investigation of the matter, the Committee agreed to proceed with the project outside of the APEC framework. In 1959 an agreement was signed and the Grid was established between Nova Scotia and

New Brunswick, and it is still hoped that Prince Edward Island will be able to participate if a causeway is ever completed, connecting the Island to the mainland. Richard Leach feels that; "One is tempted to call the Maritime Power Pool the most successful example of machinery for inter-provincial co-operation in existence today."²⁸

Undoubtedly APEC has been an important development in regional co-operation and co-ordination. It has crossed provincial boundaries, bringing together interest groups, businesses, and industries "which previously had little or no association."²⁹ The Council since 1954 has effectively contributed to a positive perception of economic co-operative effort, through its own co-operative efforts and activities. But APEC's significance stems from its position as an organization which emanates from the provincial units themselves. In origin and membership it may be essentially a private-sector organization, but its role as policy advocate imbues the Council with a public-sector significance.

Mention should also be made of the Atlantic Premiers Conference, an annual meeting which is important, if only in the sense that the executives of the four provinces do meet to discuss matters of common concern. The Premiers Conference was formalized as an annual event in 1956, and they meet in camera, in one of the four provincial capitals. The purpose of the meetings is basically to discuss and study

policy subjects which warrant a joint approach. Until the summer of 1971, the Premiers Conference could in no way be viewed as an institutionalized form of co-operation. However, there has now been a permanent secretariat established for the Conference and it may be that in the future the Conference may become a vehicle for co-operative action among the executives of the Atlantic Provinces.

If one considers in total, the indicators of regionalism in the Maritimes there appears to be a firm basis for co-operative effort. There are a significant number and array of private associations whose activities are transacted across the provincial boundaries. This complex of private, interprovincial organizations should aid in generating acceptance of regional activities. Since the 1960's the federal government, in its economic development policies, has regarded the Maritimes from a regional approach. It is likely that the federal government would look with favour upon efforts by the Maritime provinces to co-ordinate their approach to economic development policies. There is considerable formal and informal co-operation between the provinces themselves, although largely at an administrative level only. In addition there is the Atlantic Provinces Economic Council and its contributions to co-ordinating development policies and efforts, the Power Grid, and the Premiers Conference. Perceptions of regionalism in terms of

regional economic development and planning are relatively recent and innovative trends. A comprehensive and regional approach to economic problems, on the part of the governments involved, is basically a product of the 1960's. Yet one would be unrealistic to maintain that interprovincialism is anything like a universal attitude prevalent in the Maritime Provinces today.³⁰ But it is argued here that there is developing a network of co-operative activity, and a perception of both the necessity and feasibility of co-operation, upon which a formal and structured co-operation for the purposes of economic development could be established. This study raises the question of whether institutionalized economic co-operation could not be a viable alternative to political union for the Maritime Provinces?

The Deutsch Report rejects both formal economic co-operation and economic union for the sake of expediency, or so it would seem. The Report urges political union because:

By this means the large common interest of all the people of the region could be worked for without the complexities, delays, frustrations, and costly overheads inevitably associated with other forms of co-operative effort.³¹

It is the opinion of this study that a co-operative mechanism which is less than political union is the more feasible though perhaps a less expedient solution. The Report rejects both economic union and formal economic co-operation for essentially the same reasons: i.e. both mechanisms would

cause a multiplication of bureaucracy and thus additional costly overhead for the provinces, and there would be no single, responsible executive authority and therefore ineffective decision-making. This part of the Report was dealt with in detail in Chapter four and need not be repeated here. The point is that the reasons for rejecting the alternatives of economic co-operation on a formal basis, or of economic union seem to be insufficient. The criterion of maximum possible efficiency should not be the only consideration in evaluating the alternatives to full political union. The major criticism this study brings against the Deutsch Report is that it relies solely on the efficiency criterion in considering the alternatives to union.

This study argues that a system of formal economic planning merits consideration as a viable alternative to a full political union. A system of intergovernmental planning could be established with the purpose of devising and implementing a concerted and co-ordinated programme of economic planning and development. The provinces could agree to set up a Maritime Regional Commission and a system of standing interprovincial committees on pertinent policy areas, which would provide the necessary machinery for effecting economic co-operation. Thomas Wilson and W.Y. Smith point out that a Commission of this nature would not require a large staff or budget but rather

a small staff of highly respected and highly skilled public servants working, with the co-operation of provincial governments, to promote inter-provincial co-operation and co-ordination³²

In looking for a similar and relevant experience one may consider the European Economic Community, which has developed a system of intergovernmental economic co-operation and planning. The EEC has established a standing Medium-Term policy Committee and in 1967 adopted a five-year economic programme for the member states. It would appear that a similar approach to economic co-operation would be far easier to implement among the three Maritime Provinces which have existed in close association as members of the same nation for more than a century. As regards the absence of executive authority, which concerned the authors of the Maritime Union Report, Wilson and Smith point out that "In so far as co-ordination is achieved in the European Economic Community this is because it is the will of the member governments to co-operate."³³ Is it not possible that this will to co-operate is present in the Maritimes, given the serious nature of their economic plight? The regional mechanisms that would be set up could be given sufficient responsibility and authority in order to work out policy priorities, while simultaneously being politically responsible to the provincial governments. Compromise and accommodation may occur without destroying the will to work together and without unduly impeding the effectiveness of regional economic

development and planning.

Full political union may be the best of all possible solutions when regarded from the economic standpoint alone, but this does not imply that formal economic co-operation, as an alternative to union, would not be successful in solving the economic problems of the Maritime Provinces. In the past no attempt has been made to deal with the economic problems of the Maritimes by means of formal co-operation between the provinces. Obviously a concerted approach is warranted, since past economic development efforts by the individual provinces have not resulted in substantial improvements in their economic situation. The Maritimes are still the poor and economically lagging provinces of Canada. It would seem that the new federal approach to economic development, as evidenced by DREE, would favour a co-operative effort from the provinces.

This study maintains that co-operative mechanisms, which do not go as far as political union, could make a successful attack upon the region's economic difficulties. This study also maintains that the Deutsch Report is deficient, in that it considers only the economic factors impinging upon the union question. Its conclusions are warranted from an economic standpoint, but are not warranted when social and political factors are also considered. It should be realized that factors such as the Acadian population

of New Brunswick, and the problems involved in integrating three, long-established political cultures, present very serious barriers to a political union of the Maritime Provinces. This study concludes that political union is not a feasible solution to the economic ills of the Maritime Provinces.

FOOTNOTES

¹J.E. Hodgetts, "How Applicable is Regionalism in the Canadian Federal System?" in Paul Fox (ed.), Politics: Canada, Third Edition (Toronto: McGraw-Hill, 1970), p. 94.

²The Institute of Public Affairs, Dalhousie University, Inter-Provincial Organizations of the Maritime and Atlantic Provinces, A Report to the Maritime Union Study, Part I of the Dalhousie Institute of Public Affairs and Richard H. Leach, Inter-Provincial Relations in the Maritime Provinces (Fredericton, N.B.: Maritime Union Study, 1970), p. 9.

³Ibid., p. 9.

⁴Maritime Union Study, Public Briefs (Fredericton, N.B.: Maritime Union Study, 1969), Submission by the Atlantic Co-operative Council, p. 14.

⁵Maritime Union Study, Public Briefs (Fredericton, N.B.: Maritime Union Study, 1969), Submission by the Atlantic Fresh Produce Association, p. 24.

⁶Maritime Union Study, Public Briefs (Fredericton, N.B.: Maritime Union Study, 1969), Submission by the Atlantic Provinces Transportation Commission, p. 56.

⁷APEC, Second Annual Review: The Atlantic Economy, APEC, September, 1968, p. 58.

⁸The Financial Post, Vol. 59, June 26, 1965, p. 49.

⁹Thomas Wilson and W.Y. Smith, Maritime Union and Economic Planning (Fredericton, N.B.: Maritime Union Study, 1970), p. 8.

¹⁰Ibid., p. 8.

¹¹Thomas N. Brewis, "Area Economic Development: Pursuit of a Policy," The Business Quarterly, Summer, 1964, Vol. 29, No. 2, p. 28.

¹²Frank T. Walton, "Atlantic Development: An Appraisal," The Business Quarterly, Summer, 1968, Vol. 33, No. 2, p. 62, and p. 65.

¹³Ibid., p. 61.

¹⁴Thomas Wilson and W.Y. Smith, op. cit., p. 9.

¹⁵APEC, Second Annual Review, p. 50.

¹⁶Richard H. Leach, Inter-Provincial Co-operation in the Maritime Provinces, A Report to the Maritime Union Study, Part II of the Dalhousie Institute of Public Affairs and Richard H. Leach, op. cit., p. 29.

¹⁷For a comprehensive breakdown of interprovincial co-operation by government departments and of quasi-public co-operation, one may refer to Richard H. Leach's Report, cited above.

¹⁸Richard H. Leach, op. cit., p. 32. In 1968 the four provinces together contributed 25 per cent of APEC's revenue.

¹⁹APEC, The APEC Story. A Short History of the Atlantic Provinces Economic Council, 1961. (No pagination for the booklet.)

²⁰APEC, Second Annual Review, 1968. See inside front cover. The statement of objectives appears on nearly all APEC publications.

²¹APEC, Second Annual Review, 1968, p. 18.

²²Richard H. Leach, op. cit., p. 33.

²³See APEC, The Apec Story, for a list of projects such as trade fairs, that APEC has been involved in.

²⁴APEC Vice-President, Nelson Mann, quoted in The Chronicle Herald (Halifax), October 30, 1968, p. 3. Cited in Richard H. Leach, op. cit., p. 81.

²⁵APEC, Second Annual Review, 1968, p. 18.

²⁶For a summation and assessment of some of these policies one may refer to APEC, Annual Report, 1969-70, p. 14.

²⁷Richard H. Leach, op. cit., p. 63.

²⁸Ibid., p. 67.

²⁹Frank MacKinnon, "APEC, An Experiment in Regional Enterprise," Canadian Public Administration, Vol. 1, March, 1958, p. 23.

³⁰Richard H. Leach, op. cit., pp. 82-102. Leach, in considering the future of Maritime Interprovincial co-operation, feels that generally there is not public awareness or involvement in interprovincialism, and that the legislatures have been slow to embody interprovincialism, and that they also lack a mandate to do so.

³¹Report of the Maritime Union Study (Fredericton, N.B.: 1970), p. 63.

³²Thomas Wilson and W.Y. Smith, op. cit., p. 28.

³³Ibid., p. 27.

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